943. Also, petition of C. W. Ogden and 28 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

944. By Mr. HANCOCK: Resolution adopted by the Board of Supervisors of Onondaga County, N. Y., in support of House bill 2232 and Senate bill 101; to the Committee on Labor.

945. By Mr. KEARNEY: petition containing the signatures of 22 citizens of the Thirty-first Congressional District, State of New York, advocating the enactment by the Congress of the Pace bill, H. R. 752; to the Committee on Military Affairs.

SENATE

WEDNESDAY, JUNE 13, 1945

(Legislative day of Monday, June 4, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty God and merciful Father, as around the world the battlements of tyranny tremble and we see Thy righteous sentence, "They that take the sword shall perish by the sword," fulfilled before our eyes, deliver us from the supreme folly of trusting in the same foul forces we fight. Keep us from the delusion that external might can ever take the place of inner integrity. Open our eyes to the evils within ourselves which shut Thee out. Cleanse us from inner defilement which blinds our eyes to the divine. Save us, as individuals and as a nation, from the smug pride which misses the humble path of meekness, the one road to Thee. In the Redeemer's name. Amen.

THE JOURNAL

On motion of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 12, 1945, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 12, 1945, the President had approved and signed the act (S. 510) to amend sections 11 (c) and 16 of the Federal Reserve Act, as amended, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers, in which it requested the concurrence of the Senate.

ADDRESS DELIVERED BY GENERAL EISENHOWER ON ACCEPTING HONOR CONFERRED BY THE CITY OF LONDON

Mr. GEORGE. Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD the address delivered by Gen. Dwight D. Eisenhower in accepting the distinction and honor of the freedom of the city of London conferred upon him yesterday.

His address should be read by every American citizen, because it deserves to be ranked with classic literature and because it stamps General Eisenhower as a diplomat and as a statesman of the first order. It is one of the remarkable addresses of the present time, delivered by any American or by a citizen of any other nation. I therefore ask that it be incorporated in the RECORD.

The PRESIDENT pro tempore. Without objection, the address will be printed in the RECORD.

General Eisenhower's address is as follows:

The high sense of distinction I feel in receiving this great honor from the city of London is inescapably mingled with feelings of profound sadness. All of us must always regret that your great country and mine were ever faced with the tragic situation that compelled the appointment of an Allied commander in chief, the capacity in which I have just been so extravagantly commended.

Humility must always be the portion of any man who receives acclaim earned in the blood of his followers and the sacrifices of his friends.

Conceivably a commander may have been professionally superior. He may have given everything of his heart and mind to meet the spiritual and physical needs of his comrades. He may have written a chapter that will glow forever in the pages of military history.

Still, even such a man—if he existed—would sadly face the facts that his honors cannot hide in his memories the crosses marking the resting places of the dead. They cannot soothe the anguish of the widow or the orphan whose husband or father will not return.

A SYMBOL OF ALLIED PEOPLE

The only attitude in which a commander may with satisfaction receive the tributes of his friends is in the humble acknowledgment that, no matter how unworthy he may be, his position is the symbol of great human forces that have labored arduously and successfully for a righteous cause. Unless he feels this symbolism and this rightness in what he has tried to do, then he is disregardful of courage, fortitude, and devotion of the vast multitude he has been honored to command. If all Allied men and women that have served with me in this war can only know that it is they whom this august body is really honoring today, then indeed I will be content.

This feeling of humility cannot erase, of course, my great pride in being tendered the freedom of London. I am not a native of this land. I come from the very heart of America. In the superficial aspects by which we ordinarily recognize family relationships, the town where I was born and the one where I was reared are far separated from this great city. Abilene, Kans., and Dennison, Tex., would together equal in size possibly one five-hundredth of a part of Greater London.

By your standards those towns are young, without your aged traditions that carry the roots of London back into the uncertainties of unrecorded history. To those people I am proud to belong.

But I find myself today, 5,000 miles from that countryside, the honored guest of a city whose name stands for grandeur and size throughout the world. Hardly would it seem possible for the London Council to have gone farther afield to find a man to honor with its priceless gift of token citizenship.

Yet kinship among nations is not determined in such measurements as proximity of size and age. Rather we should turn to those inner things—call them what you will—I mean those intangibles that are the real treasures freemen possess.

To preserve his freedom of worship, his equality before law, his liberty to speak and act as he sees fit, subject only to provisions that he trespass not upon similar rights of others—a Londoner will fight. So will a citizen of Abilene.

THE BASIS OF KINSHIP

When we consider these things, then the valley of the Thames draws closer to the farms of Kansas and the plains of Texas. To my mind, it is clear that when two peoples will face the tragedies of war to defend the same spiritual values, the same treasured rights, then in the deepest sense those two are truly related. So even as I proclaim my undying Americanism, I am bold enough and exceedingly proud to claim the basis of kinship to you of London.

And what man who has followed the history of this war could fail to experience an inspiration from the example of this city?

When the British Empire stood—alone but unconquered, almost naked but unafraid—to deny the Hitler hordes, it was on this devoted city that the first terroristic blows were launched.

Five years and eight months of war, much of it on the actual battle line, blitzes big and little, flying V-bombs—all of them you took in your stride. You worked, and from your needed efforts you would not be deterred. You carried on, and from your midst arose no cry for mercy, no wail of defeat. The Battle of Britain will take its place as another of your deathless traditions. And your faith and endurance have finally been rewarded.

You had been more than 2 years in war when Americans in numbers began swarming into your country. Most were mentally unprepared for the realities of war—especially as waged by the Nazis. Others believed that the tales of British sacrifice had been exaggerated. Still others failed to recognize the difficulties of the task ahead.

All such doubts, questions, and complacencies could not endure a single casual tour through your scarred streets and avenues. With awe our men gazed upon the empty spaces where once had stood buildings erected by the toil and sweat of peaceful folk. Our eyes rounded as we saw your women, serving quietly and efficiently in almost every kind of war effort, even with flak batteries. We became accustomed to the warning sirens which seemed to compel from the native Londoner not even a single hurried step. Gradually we drew closer together until we became true partners in war.

TWO EXPEDITIONS PREPARED

In London my associates and I planned two great expeditions—that to invade the Mediterranean and later that to cross the Channel. London's hospitality to the Americans, her good-humored acceptance of the added inconvenience we brought, her example of fortitude and quiet confidence in the final outcome—all these helped to make the supreme headquarters of the two Allied expeditions the smooth-working organizations they became.

They were composed of chosen representatives of two proud and independent peoples, each noted for its initiative and for its satisfaction with its own customs, manners, and methods. Many feared that those represent-

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atives could never combine together in an efficient fashion to solve the complex problems presented by modern war.

I hope you believe we proved the doubters wrong. And, moreover, I hold that we proved this point not only for war—we proved it can always be done by our two peoples, provided only that both show the same good will, the same forbearance, the same objective attitude that the British and Americans so amply demonstrated in the nearly 3 years of bitter campaigning.

No man could alone have brought about this result. Had I possessed the military skill of a Marlborough, the wisdom of Solomon, the understanding of Lincoln, I still would have been helpless without the loyalty, vision, and generosity of thousands upon thousands of British and Americans.

Some of them were my companions in the high command. Many were enlisted men and junior officers carrying the fierce brunt of battle, and many others were back in the United States and here in Great Britain in London.

ONE GREAT TEAM

Moreover, back of us always our great national war leaders and their civil and military staffs that supported and encouraged us through every trial, every test. The whole was one great team. I know that on this special occasion 3,000,000 American men and women serving in the Allied Expeditionary Force would want me to pay a tribute of admiration, respect, and affection to their British comrades of this war.

My most cherished hope is that after Japan joins the Nazis in utter defeat, neither my country nor yours need ever again summon its sons and daughters from their peaceful pursuits to face the tragedies of battle. But—a fact important for both of us to remember—neither London nor Abilene, sisters under the skin, will sell her birthright for physical safety, her liberty for mere existence.

No petty differences in the world of trade, traditions, or national pride should ever blind us to our identities in priceless values.

If we keep our eyes on this guidepost, then no difficulties along our path of mutual cooperation can ever be insurmountable. Moreover, when this truth has permeated to the remotest hamlet and heart of all peoples, then indeed may we beat our swords into plowshares and all nations can enjoy the fruitfulness of the earth.

My Lord Mayor, I thank you once again for an honor to me and to the American forces that will remain one of the proudest in my memories.

LEAVE OF ABSENCE

Mr. MORSE. Mr. President, I ask to be excused from the session of the Senate tomorrow in order that I may attend a very important conference at Chicago, Ill.

The PRESIDENT pro tempore. Is there objection to the request made by the Senator from Oregon? The Chair hears none, and the request is granted.

PETITION

The PRESIDENT pro tempore laid before the Senate the following resolution of the Senate of the Territory of Hawaii, which was referred to the Committee on Territories and Insular Affairs:

Senate Resolution 75

Whereas the Territory of Hawaii is an integral part of the United States of America, has enjoyed an enlightened form of constitutional government under the best traditions of Anglo-American concepts of freedom for more than 100 years, and in the long period of years since annexation to the United States of America has demonstrated its unity with the Nation, its devotion to the national ideals, and its full capacity for self-government; and

Whereas the people of this Territory have by plebiscite demonstrated their overwhelming desire that Hawaii become a State through the customary procedure by which the Congress has elevated other territories to statehood; and

Whereas the legislature of this Territory has repeatedly addressed the Congress asking that statehood be granted, thus carrying out the known and expressed sentiment of the people of Hawaii; and

Whereas provision has been made by this legislature to invite visits of congressional committees and groups to the Territory to acquaint the Congress of the United States with conditions and issues vitally affecting Hawaii in its relations to the National Government and to the Congress: Now, therefore, be it

Resolved by the Senate of the Twenty-third Session of the Legislature of the Territory of Hawaii, That this Senate does hereby express its complete belief in and support of statehood for Hawaii at the earliest possible moment; that this senate does hereby urge the Congress of the United States to take the steps necessary to elevate this Territory to a State; and that an invitation be, and it is hereby, extended to the Committee on Territories and Insular Affairs of the Senate of the Congress, to the Committee on the Territories of the House of Representatives of the Congress, or to such subcommittees thereof, respectively, as may be appointed, asking them to visit Hawaii upon the first opportune occasion to give further study and impetus to the program of statehood, and to give attention to any other matters of congressional interest and concern in Hawaii; and be it further

Resolved, That copies of this resolution be forwarded to the Secretary of the Interior, to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States of America, to the Committee on Territories and Insular Affairs of the Senate of the Congress, to the Committee on the Territories of the House of Representatives of the Congress, and to the Delegate to Congress from Hawaii.

THE SENATE OF THE
TERRITORY OF HAWAII,
Honolulu, T. H., May 4, 1945.

We hereby certify that the foregoing resolution was this day adoped by the Senate of the Territory of Hawaii.

E. S. CAPELLAS,
President of the Senate.
ELLEN D. SMYTHE,
Clerk of the Senate.

REPORT OF BANKING AND CURRENCY COMMITTEE

Mr. MURDOCK, from the Committee on Banking and Currency, to which was referred the bill (H. R. 2113) to amend the Federal Farm Loan Act, the Emergency Farm Mortgage Act of 1933, the Federal Farm Mortgage Corporation Act, the Servicemen's Readjustment Act of 1944, and for other purposes, reported it without amendment and submitted a report (No. 363) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BARKLEY:

S. 1141. A bill to extend the benefits of the Civil Service Retirement Act of May 29, 1930, as amended, to certain officers and employees of the Smithsonian Institution, and for other purposes; to the Committee on Civil Service.

By Mr. GREEN:

S. 1142. A bill for the relief of Florence Barrows; to the Committee on Claims.

By Mr. PEPPER:

S. 1143. A bill for the relief of Harvey Shields; and

S. 1144. A bill for the relief of Willie H. Johnson; to the Committee on Claims.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. ROBERTSON submitted an amendment intended to be proposed by him to the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 7) making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers, was read twice by its title and referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. McCARRAN, from the Committee on the Judiciary:

Tom C. Clark, of Texas, to be Attorney General, vice Francis Biddle, resigned.

By Mr. GEORGE, from the Committee on Foreign Relations:

William D. Pawley, of Florida, to be Ambassador Extraordinary and Plenipotentiary to Peru;

Howard Donovan, of Illinois, now a foreign-service officer of class 2 and a secretary in the diplomatic service, to be also a consul general;

Carl W. Strom, of Iowa, now a foreign-service officer of class 6 and a secretary in the diplomatic service, to be also a consul; and

Bartley P. Gordon, of Massachusetts, now a foreign-service officer of class 8 and a secretary in the diplomatic service, to be also a consul.

AUTHORIZATION FOR COMMITTEE ON AGRICULTURE AND FORESTRY TO MEET AT 2 O'CLOCK

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry may meet this afternoon at 2 o'clock to consider further the nomination of Mr. Claude R. Wickard to be Administrator of the Rural Electrification Administration.

The PRESIDENT pro tempore. Without objection, it is so ordered.

AMERICAN FOREIGN POLICY—ADDRESS BY SENATOR BALL

[Mr. BALL asked and obtained leave to have printed in the RECORD a radio address on American foreign policy, delivered by him in Washington, D. C., on June 12, 1945, which appears in the Appendix.]

FULL EMPLOYMENT AND THE WHOLESALER—ARTICLE BY SENATOR MURRAY

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an article entitled "Full Employment and the Wholesaler," written by him and published in the March

1945 issue of the Hosiery Wholesaler, which appears in the Appendix.]

THE NEGRO AND THE POSTWAR MILITARY POLICY—ADDRESS BY JUDGE WILLIAM H. HASTIE

[Mr. CAPPER asked and obtained leave to have printed in the RECORD an address by Judge William H. Hastie, of the Howard University Law School, before the Select Committee of the House of Representatives on Postwar Military Policy, which appears in the Appendix.]

TRIBUTE TO THE LATE PRESIDENT ROOSEVELT BY MISS JUNE THOMSON

[Mr. GUFFEY asked and obtained leave to have printed in the Appendix of the RECORD a tribute to the late President Franklin D. Roosevelt by Miss June Thomson, which appears in the Appendix.]

WOMEN'S RIGHTS AND THE CONSTITUTION—LETTER BY MRS. EMMA GUFFEY MILLER

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a letter on the subject of women's rights and the Constitution, written by Mrs. Emma Guffey Miller, and published in the Philadelphia Evening Bulletin of April 12, which appears in the Appendix.]

POEM WRITTEN ON THE DEATH OF AN AVIATOR BY HIS MOTHER

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD a poem entitled "The Navigator Is Young," written by Mrs. Mabel Poe Blyth, of Slippery Rock, Pa., which appears in the Appendix.]

STATUTE OF NEW INTERNATIONAL COURT OF JUSTICE

Mr. BURTON. At the time of my statement in the Senate yesterday in regard to the United Nations Conference at San Francisco there was not yet available in reliable form the statute of the new International Court of Justice as approved by Committee 1 of Commission 4. It is now available, and I ask unanimous consent that it be printed in the RECORD as appearing in the New York Times of the issue of June 13, 1945. It is subject to some slight correction, but nevertheless is the best available report of that important new statute, and it is largely reliable.

There being no objection, the statute was ordered to be printed in the RECORD, as follows:

ARTICLE 1

The International Court of Justice established by chapter VII of the charter as the principal judicial organ of the United Nations shall be constituted and shall function in accordance with the following provisions:

CHAPTER I. ORGANIZATION OF THE COURT

ARTICLE 2

The Court shall be composed of a body of independent judges, elected regardless of their nationality from among persons of high moral character, who possess the qualifications required in their respective countries for appointment to the highest judicial offices or are jurisconsults of recognized competence in international law.

ARTICLE 3

1. The Court shall consist of 15 members, no two of whom may be nationals of the same state or member of the United Nations.

2. A person who for the purposes of membership of the Court under this statute could be regarded as a national of more than one state or member of the United Nations shall be deemed to be a national of that state or member in which he ordinarily exercises civil and political rights.

ARTICLE 4

1. The members of the Court shall be elected by the General Assembly and by the Security Council of the United Nations from a list of persons nominated by the national groups in the Permanent Court of Arbitration in accordance with the following provisions:

2. In the case of members of the United Nations not represented in the Permanent Court of Arbitration the lists of candidates shall be drawn up by national groups appointed for this purpose by their governments under the same conditions as those prescribed for members of the Permanent Court of Arbitration by article 44 of the Convention of The Hague of 1907 for the pacific settlement of international disputes.

3. The conditions under which a state which has accepted the statute of the Court but is not a member of the United Nations, may participate in electing the members of the Court shall, in the absence of a special agreement, be laid down by the General Assembly on the proposal of the Security Council.

ARTICLE 5

1. At least 3 months before the date of the election the Secretary General of the United Nations shall address a written request to the members of the Permanent Court of Arbitration belonging to the states which are parties to the present statute, and to the members of the national groups appointed under article 4, paragraph 2, inviting them to undertake, within a given time, by national groups, the nomination of persons in a position to accept the duties of a member of the Court.

2. No group may nominate more than four persons, not more than two of whom shall be of their own nationality. In no case may the number of candidates nominated by a group be more than double the number of seats to be filled.

ARTICLE 6

Before making these nominations, each national group is recommended to consult its highest court of justice, its legal faculties and schools of law, and its national academies and national sections of international academies devoted to the study of law.

ARTICLE 7

1. The Secretary General of the United Nations shall prepare a list in alphabetical order of all the persons thus nominated. Save as provided in article 12, paragraph 2, these shall be the only persons eligible.

2. The Secretary General shall submit this list to the General Assembly and to the Security Council.

ARTICLE 8

The General Assembly and the Security Council shall proceed independently of one another to elect the members of the Court.

ARTICLE 9

At every election, the electors shall bear in mind not only that the persons to be elected should individually possess the qualifications required but also that in the body as a whole the representation of the main forms of civilization and of the principal legal systems of the world should be assured.

ARTICLE 10

1. Those candidates who obtain an absolute majority of votes in the General Assembly and in the Security Council shall be considered as elected.

2. Any vote of the Security Council, whether for the election of judges or for the appointment of members of the conference envisaged in article 12 hereunder, shall be taken without any distinction between permanent and nonpermanent members of the council.

3. In the event of more than one national of the same state or member of the United Nations obtaining an absolute majority of the votes of both the General Assembly and of the Security Council, the eldest of these only shall be considered as elected.

ARTICLE 11

If, after the first meeting held for the purpose of the election, one or more seats remain to be filled, a second and, if necessary, a third meeting shall take place.

ARTICLE 12

1. If, after the third meeting, one or more seats still remain unfilled, a joint conference consisting of six members, three appointed by the General Assembly and three by the Security Council, may be formed at any time at the request of either the general assembly or the Security Council, for the purpose of choosing by the vote of an absolute majority one name for each seat still vacant, to submit to the General Assembly and the Security Council for their respective acceptance.

2. If the joint conference is unanimously agreed upon any person who fulfills the required conditions, he may be included in its list, even though he was not included in the list of nominations referred to in article 7.

3. If the joint conference is satisfied that it will not be successful in procuring an election, those members of the Court who have already been elected shall, within a period to be fixed by the Security Council, proceed to fill the vacant seats by selection from among those candidates who have obtained votes either in the General Assembly or in the Security Council.

4. In the event of an equality of votes among the judges, the eldest judge shall have a casting vote.

ARTICLE 13

1. The members of the Court shall be elected for 9 years, and of the judges elected at the first election the terms of five judges shall expire at the end of 3 years, and the terms of five more judges shall expire at the end of 6 years.

2. The judges whose terms are to expire at the end of the above-mentioned initial periods 3 and 6 years shall be chosen by lot to be drawn by the Secretary-General of the United Nations immediately after the first election has been completed.

3. The members of the Court shall continue to discharge their duties until their places have been filled. Though replaced, they shall finish any cases which they may have begun.

4. In the case of the resignation of a member of the Court, the resignation shall be addressed to the president of the Court for transmission to the Secretary-General of the United Nations. This last notification makes the place vacant.

ARTICLE 14

Vacancies shall be filled by the same method as that laid down for the first election, subject to the following provisions: the Secretary General of the United Nations shall, within 1 month of the occurrence of the vacancy, proceed to issue the invitations provided for in article 5, and the date of the election shall be fixed by the Security Council.

ARTICLE 15

A member of the Court elected to replace a member whose term of office has not expired shall hold office for the remainder of his predecessor's term.

ARTICLE 16

1. No member of the Court may exercise any political or administrative function, or engage in any other occupation of a professional nature.

2. Any doubt on this point shall be settled by the decision of the Court.

ARTICLE 17

1. No member of the Court may act as agent, counsel, or advocate in any case.

2. No member may participate in the decision of any case in which he has previously taken part as agent, counsel, or advocate for one of the contesting parties, or as a member of a national or international court, or of a commission of inquiry, or in any other capacity.

3. Any doubt on this point shall be settled by the decision of the Court.

ARTICLE 18

1. No member of the Court can be dismissed unless, in the unanimous opinion of the other members he has ceased to fulfill the required conditions.

2. Formal notification thereof shall be made to the Secretary-General of the United Nations by the registrar.

3. This notification makes the place vacant.

ARTICLE 19

The members of the Court, when engaged on the business of the Court, shall enjoy diplomatic privileges and immunities.

ARTICLE 20

Every member of the Court shall, before taking up his duties, make a solemn declaration in open Court that he will exercise his powers impartially and conscientiously.

ARTICLE 21

1. The Court shall elect its president and vice president for 3 years; they may be reelected.

2. It shall appoint its registrar and may provide for the appointment of such other officers as may be necessary.

ARTICLE 22

1. The seat of the Court shall be established at The Hague. This, however, shall not prevent the Court from sitting and exercising its functions elsewhere whenever the Court considers it desirable.

2. The president and registrar shall reside at the seat of the Court.

ARTICLE 23

1. The Court shall remain permanently in session, except during the judicial vacations, the dates and duration of which shall be fixed by the Court.

2. Members of the Court are entitled to periodic leave, the dates and duration of which shall be fixed by the Court, having in mind the distance between The Hague and the home of each judge.

3. Members of the Court shall be bound, unless they are on regular leave or prevented from attending by illness or other serious reasons duly explained to the president, to hold themselves permanently at the disposal of the Court.

ARTICLE 24

1. If, for some special reason, a member of the Court considers that he should not take part in the decision of a particular case, he shall so inform the president.

2. If the president considers that for some special reason one of the members of the Court should not sit on a particular case, he shall give him notice accordingly.

3. If in any such case the member of the Court and the president disagree, the matter shall be settled by the decision of the Court.

ARTICLE 25

1. The full Court shall sit except when it is expressly provided otherwise.

2. Subject to the condition that the number of judges available to constitute the Court is not thereby reduced below 11, the rules of the Court may provide for allowing 1 or more judges, according to circumstances and in rotation, to be dispensed from sitting.

3. Provided always that a quorum of nine judges shall suffice to constitute the Court.

ARTICLE 26

1. The Court may from time to time form one or more chambers, composed of three or more judges as the Court may determine, for dealing with particular categories of cases; for example, labor cases and cases relating to transit and communications.

2. The Court may at any time form a chamber for dealing with a particular case. The number of judges to constitute such a chamber shall be determined by the Court with the approval of the parties.

3. Cases shall be heard and determined by the chambers provided for in this article if the parties so request.

ARTICLE 27

A judgment given by any of the chambers provided for in articles 26 and 29 shall be a judgment rendered by the Court.

ARTICLE 28

The chambers provided for in articles 26 and 29 may, with the consent of the parties, sit and exercise their functions elsewhere than at The Hague.

ARTICLE 29

With a view to the speedy dispatch of business, the Court shall form annually a chamber composed of five judges, which, at the request of the parties, may hear and determine cases by summary procedure. In addition, two judges shall be selected for the purpose of replacing judges who find it impossible to sit.

ARTICLE 30

1. The Court shall frame rules for carrying out its functions. In particular, it shall lay down rules of procedure.

2. The rules of the Court may provide for assessors to sit with the Court or with any of its chambers, without the right to vote.

ARTICLE 31

1. Judges of the nationality of each of the contesting parties shall retain their right to sit in the case before the Court.

2. If the Court includes upon the bench a judge of the nationality of one of the parties, any other party may choose a person to sit as judge. Such person shall be chosen preferably from among those persons who have been nominated as candidates as provided in articles 4 and 5.

3. If the Court includes upon the bench no judge of the nationality of the contesting parties, each of these parties may proceed to choose a judge as provided in paragraph 2 of this article.

4. The provisions of this article shall apply to the case of articles 26 and 29. In such cases, the president shall request one or, if necessary, two of the members of the Court forming the chamber to give place to the members of the Court of the nationality of the parties concerned, and, failing such, or if they are unable to be present, to the judges specially appointed by the parties.

5. Should there be several parties in the same interest, they shall, for the purpose of the preceding provisions, be reckoned as one party only. Any doubt upon this point shall be settled by the decision of the Court.

6. Judges chosen as laid down in paragraphs 2, 3, and 4 of this article shall fulfill the conditions required by articles 2, 17 (paragraph 2), 20, and 24 of the present statute. They shall take part in the decision on terms of complete equality with their colleagues.

ARTICLE 32

1. Each member of the Court shall receive an annual salary.

2. The president shall receive a special annual allowance.

3. The vice president shall receive a special allowance for every day on which he acts as president.

4. The judges appointed under article 31, other than members of the Court, shall receive indemnities for each day on which they exercise their functions.

5. These salaries, allowances, and indemnities shall be fixed by the General Assembly of the United Nations. They may not be decreased during the term of office.

6. The salary of the registrar shall be fixed by the General Assembly on the proposal of the Court.

7. Regulations made by the General Assembly shall fix the conditions under which retiring pensions may be given to members of the Court and to the registrar, and the conditions under which members of the Court and the registrar shall have their traveling expenses refunded.

8. The above salaries, indemnities, and allowances shall be free of all taxation.

ARTICLE 33

The expenses of the Court shall be borne by the United Nations in such a manner as shall be decided by the General Assembly.

CHAPTER II. COMPETENCE OF THE COURT

ARTICLE 34

1. Only states or members of the United Nations may be parties in cases before the Court.

2. The Court, subject to and in conformity with its rules, may request of public international organizations information relevant to cases before it, and shall receive such information presented by such organizations on their own initiative.

3. Whenever the construction of the constituent instrument of a public international organization or of an international convention adopted thereunder is in question in a case before the Court, the registrar shall so notify the public international organization concerned and shall communicate to it copies of all the written proceedings.

ARTICLE 35

1. The Court shall be open to the members of the United Nations and also to states parties to the present statute.

2. The conditions under which the Court shall be open to other states shall, subject to the special provisions contained in treaties in force, be laid down by the Security Council, but in no case shall such conditions place the parties in a position of inequality before the Court.

3. When a state which is not a member of the United Nations is a party to a case, the Court shall fix the amount which that party is to contribute toward the expenses of the Court. This provision shall not apply if such state is bearing a share of the expenses of the Court.

ARTICLE 36

1. The jurisdiction of the Court comprises all cases which the parties refer to it and all matters specially provided for in the charter of the United Nations or in treaties and conventions in force.

2. The members of the United Nations and the states parties to the present statute may at any time declare that they recognize as compulsory ipso facto and without special agreement, in relation to any other member or state accepting the same obligation, the jurisdiction of the court in all legal disputes concerning:

(A) The interpretation of a treaty.

(B) Any question of international law.

(C) The existence of any fact which, if established, would constitute a breach of an international obligation.

(D) The nature or extent of the reparation to be made for the breach of an international obligation.

3. The declaration referred to above may be made unconditionally or on condition of reciprocity on the part of several or certain members or states, or for a certain time.

4. This declaration shall be deposited with the Secretary-General of the United Nations, who shall transmit a copy thereof to the parties to the statute and to the registrar of the Court.

5. Declarations made under article 36 of the Statute of the Permanent Court of International Justice and which are still in force shall be deemed, as between the parties to the present statute, to be acceptances of the

compulsory jurisdiction of the International Court of Justice for the period during which they still have to run and in accordance with their terms.

6. In the event of a dispute as to whether the Court has jurisdiction, the matter shall be settled by the decisions of the Court.

ARTICLE 37

Whenever a treaty or convention in force between the parties to this statute provides for reference of a matter to a tribunal to have been instituted by the League of Nations, or to the Permanent Court of International Justice established by the protocol of December 16, 1920, amended September 14, 1929, the matter shall be referred to the International Court of Justice.

ARTICLE 38

1. The Court, whose function is to decide in accordance with international law such disputes as are submitted to it, shall apply:

(A) International conventions, whether general or particular, establishing rules expressly recognized by the contesting states.

(B) International custom, as evidence of a general practice accepted as law.

(C) The general principles of law recognized by civilized nations.

(D) Subject to the provisions of article 59, judicial decisions and the teachings of the most highly qualified publicists of the various nations, as subsidiary means for the determination of rules of law.

2. This provision shall not prejudice the power of the Court to decide a case ex aequo et bono, if the parties agree thereto.

CHAPTER III. PROCEDURE

ARTICLE 39

1. The official languages of the Court shall be French and English. If the parties agree that the case shall be conducted in French, the judgment shall be delivered in French. If the parties agree that the case shall be conducted in English, the judgment shall be delivered in English.

2. In the absence of an agreement as to which language shall be employed, each party may in the pleadings, use the language which it prefers; the decision of French and English. In this case the court shall at the same time determine which of the two texts shall be considered as authoritative.

3. The Court shall at the request of any party, authorize a language other than French or English to be used by that party.

ARTICLE 40

1. Cases are brought before the Court, as the case may be, either by the notification of the special agreement or by a written application addressed to the registrar. In either case the subject of the dispute and the contesting parties shall be indicated.

2. The registrar shall forthwith communicate the application to all concerned.

3. He shall also notify the members of the United Nations through the secretary-general and also any states entitled to appear before the Court.

ARTICLE 41

1. The Court shall have the power to indicate, if it considers that circumstances so require, any provisional measures which ought to be taken to preserve the respective rights of either party.

2. Pending the final decision, notice of the measures suggested shall be forthwith be given to the parties and the Security Council.

ARTICLE 42

1. The parties shall be represented by agents.

2. They may have the assistance of counsel or advocates before the Court.

3. The agents and counsel of parties before the Court shall enjoy the privileges and immunities necessary to the independent exercise of their duties.

ARTICLE 43

1. The procedure shall consist of two parts: written and oral.

2. The written proceedings shall consist of the communication to the Court and to the parties of memorials, counter-memorials and, if necessary, replies; also all papers and documents in support.

3. These communications shall be made through the registrar, in the order and within the time fixed by the Court.

4. A certified copy of every document produced by one party shall be communicated to the other party.

5. The oral proceedings shall consist of the hearing by the Court of witnesses, expert, agents, counsel, and advocates.

ARTICLE 44

1. For the service of all notices upon persons other than the agents, counsel, and advocates, the Court shall apply direct to the government of the state upon whose territory the notice has to be served.

2. The same provision shall apply whenever steps are to be taken to procure evidence on the spot.

ARTICLE 45

The hearing shall be under the control of the president or, if he is unable to preside, of the vice president; if neither is able to preside, the senior judge present shall preside.

ARTICLE 46

The hearing in Court shall be public, unless the Court shall decide otherwise, or unless the parties demand that the public be not admitted.

ARTICLE 47

1. Minutes shall be made at each hearing and signed by the registrar and the president.

2. These minutes alone shall be authentic.

ARTICLE 48

The Court shall make orders for the conduct of the case, shall decide the form and time in which each party must conclude its arguments, and make all arrangements connected with the taking of evidence.

ARTICLE 49

The Court may, even before the hearing begins, call upon the agents to produce any document or to supply any explanations. Formal notice shall be taken of any refusal.

ARTICLE 50

The Court may, at any time, entrust any individual, body, bureau, commission, or other organization that it may select with the task of carrying out an inquiry or giving an expert opinion.

ARTICLE 51

During the hearing any relevant questions are to be put to the witnesses and experts under the conditions laid down by the Court in the rules of procedure referred to in article 30.

ARTICLE 52

After the Court has received the proofs and evidence within the time specified for the purpose, it may refuse to accept any further oral or written evidence that one party may desire to present unless the other side consents.

ARTICLE 53

1. Whenever one of the parties does not appear before the Court, or fails to defend his case, the other party may call upon the Court to decide in favor of his claim.

2. The Court must, before doing so, satisfy itself, not only that it has jurisdiction in accordance with articles 36 and 37 but also that the claim is well founded in fact and law.

ARTICLE 54

1. When, subject to the control of the Court, the agents, advocates, and counsel have completed their presentation of the case, the president shall declare the hearing closed.

2. The Court shall withdraw to consider the judgment.

3. The deliberations of the Court shall take place in private and remain secret.

ARTICLE 55

1. All questions shall be decided by a majority of the judges present.

2. In the event of an equality of votes, the president or the judge who acts in his place shall have a casting vote.

ARTICLE 56

1. The judgment shall state the reasons on which it is based.

2. It shall contain the names of the judges who have taken part in the decision.

ARTICLE 57

If the judgment does not represent in whole or in part the unanimous opinion of the judges, any judge shall be entitled to deliver a separate opinion.

ARTICLE 58

The judgment shall be signed by the President and by the registrar. It shall be read in open court, due notice having been given to the agents.

ARTICLE 59

The decision of the Court has no binding force except between the parties and in respect of that particular case.

ARTICLE 60

The judgment is final and without appeal. In the event of dispute as to the meaning or scope of the judgment, the Court shall construe it upon the request of any party.

ARTICLE 61

1. An application for revision of a judgment may be made only when it is based upon the discovery of some fact of such a nature as to be a decisive factor, which fact was, when the judgment was given, unknown to the Court and also to the party claiming revision, always provided that such ignorance was not due to negligence.

2. The proceedings for revision shall be opened by a judgment of the Court expressly recording the existence of the new fact, recognizing that it has such a character as to lay the case open to revision, and declaring the application admissible on this ground.

3. The Court may require previous compliance with the terms of the judgment befor it admits proceedings in revision.

4. The application for revision must be made at latest within 6 months of the discovery of the new fact.

5. No application for revision may be made after the lapse of 10 years from the date of the judgment.

ARTICLE 62

1. Should a state consider that it has an interest of a legal nature which may be affected by the decision in the case, it may submit a request to the Court to be permitted to intervene.

2. It shall be for the Court to decide upon this request.

ARTICLE 63

1. Whenever the construction of a convention to which states other than those concerned in the case are parties is in question, the registrar shall notify all such states forthwith.

2. Every state so notified has the right to intervene in the proceedings; but if it uses this right, the construction given by the judgment will be equally binding upon it.

3. Unless otherwise decided by the Court, each party shall bear its own costs.

CHAPTER IV. ADVISORY OPINIONS

ARTICLE 64

1. The Court may give an advisory opinion on any legal question at the request of what-

ever body may be authorized by or in accordance with the charter of the United Nations to make such a request.

2. Questions upon which the advisory opinion of the Court is asked shall be laid before the Court by means of a written request which shall contain an exact statement of the question upon which an opinion is required, and shall be accompanied by all documents likely to throw light upon the question.

ARTICLE 66

1. The registrar shall forthwith give notice of the request for an advisory opinion to the members of the United Nations, through the Secretary-General of the United Nations, and to any states entitled to appear before the Court.

2. The registrar shall also, by means of a special and direct communication, notify any member of the United Nations or state entitled to appear before the Court or international organization considered by the Court (or, should it not be sitting, by the president) as likely to be able to furnish information on the question, that the Court will be prepared to receive, within a time limit to be fixed by the president, written statements, or to hear at a public sitting to be held for the purpose, oral statements relating to the question.

3. Should any member of the United Nations or state entitled to appear before the Court have failed to receive the special communication referred to in paragraph 2 of this article, such member or state may express a desire to submit a written statement or to be heard; and the Court will decide.

4. Members, states, and organizations having presented written or oral statements or both shall be permitted to comment on the statements made by other members, states, or organizations in the form, to the extent, and within the time limits which the Court, or, should it not be sitting, the president, shall decide in each particular case. Accordingly the registrar shall in due time communicate any such written statements to members, states, and organizations having submitted similar statements.

ARTICLE 67

The Court shall deliver its advisory opinions in open court, notice having been given to the Secretary-General of the United Nations and to the representatives of members of the United Nations of states and of international organizations immediately concerned.

ARTICLE 68

In the exercise of its advisory functions the Court shall further be guided by the provisions of the present statute which apply in contentious cases to the extent to which it recognizes them to be applicable.

CHAPTER V. AMENDMENT

ARTICLE 69

The framing and bring into force of amendments to the present statute shall be effected by the same procedure as is provided by the charter of the United Nations for amendments to that charter, subject, however, to any provisions which the General Assembly may adopt concerning the participation of states parties to the statute, but not members of the United Nations.

ARTICLE 70

The Court shall have power to propose such amendments to the present statute as it may deem necessary, through written communications to the Secretary-General of the United Nations, for their consideration conformably with the provisions of the preceding article.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. ROBERTSON. Mr. President, I submit an amendment to H. R. 3240, now pending, which I ask to have printed and lie on the table.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. BILBO obtained the floor.

Mr. SMITH. Mr. President——

Mr. BILBO. I yield to the Senator from New Jersey.

Mr. BARKLEY. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH. I yield.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	Myers
Austin	Guffey	O'Daniel
Ball	Hart	O'Mahoney
Bankhead	Hatch	Overton
Barkley	Hayden	Pepper
Bilbo	Hill	Radcliffe
Brewster	Hoey	Reed
Bridges	Johnson, Calif.	Robertson
Briggs	Johnson, Colo.	Saltonstall
Brooks	Johnston, S. C.	Shipstead
Buck	La Follette	Smith
Burton	Langer	Taft
Bushfield	Lucas	Thomas, Okla.
Butler	McCarran	Thomas, Utah
Capper	McKellar	Tobey
Chavez	Magnuson	Tunnell
Donnell	Mead	Wagner
Downey	Millikin	Walsh
Ellender	Mitchell	Wherry
Ferguson	Moore	White
Fulbright	Morse	Wiley
George	Murdock	Wilson
Gerry	Murray	Young

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from Nevada [Mr. SCRUGHAM] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] and the Senator from North Carolina [Mr. BAILEY] are necessarily absent.

The Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from South Carolina [Mr. MAYBANK], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Georgia [Mr. RUSSELL], and the Senator from Tennessee [Mr. STEWART] are absent in Europe visiting battlefields.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a delegate to the International Conference in San Francisco.

The Senator from West Virginia [Mr. KILGORE] is absent because of a death in his family.

The Senator from Connecticut [Mr. MCMAHON], the Senator from Idaho [Mr. TAYLOR], and the Senator from Maryland [Mr. TYDINGS] are absent on public business.

The Senator from Arizona [Mr. MCFARLAND] and the Senator from Montana [Mr. WHEELER] are absent in Europe on official business for the Interstate Commerce Committee.

Mr. WHERRY. The Senator from Indiana [Mr. CAPEHART] is necessarily absent on official business.

The Senator from Oregon [Mr. CORDON] is absent on official business of the Committee on Public Lands and Surveys.

The Senator from South Dakota [Mr. GURNEY] and the Senator from West Virginia [Mr. REVERCOMB] are absent on official business of the Senate as members of a subcommittee of the Senate.

The Senator from New Jersey [Mr. HAWKES] is absent on official business by leave of the Senate.

The Senator from Idaho [Mr. THOMAS] is absent because of illness.

The Senator from Michigan [Mr. VANDENBERG] is absent on official business as a delegate to the International Conference at San Francisco.

The Senator from Indiana [Mr. WILLIS] is necessarily absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER] is absent by leave of the Senate.

The PRESIDENT pro tempore. Sixty-nine Senators having answered to their names, a quorum is present.

Mr. SMITH. Mr. President, I desire to address the Senate on the pending bill providing for extension of the Reciprocal Trade Agreements Act.

I

It is my considered judgment that the Reciprocal Trade Agreements Act should be extended for the immediate future. The question of the extension of the act is tied up with our postwar foreign policy and I find myself compelled, therefore, to think of San Francisco, the Bretton Woods monetary proposals, the reciprocal-trade program and other similar international matters as all in the same category.

The postwar situation is one that demands new vision and new perspective. We must really start from scratch. We must think in terms of the future peace of the world and of contributing our strength and our vision to the setting up of international relationships which will lead to the peaceful and judicial settlement of international disputes and differences. This must not be a partisan approach. It is an all-American problem.

Mr. President, I want to emphasize my conviction that in discussing this matter we must set aside partisanship.

In this connection, I like to think of the difference between what we see through a telescope and a microscope. With a telescope we can get a distant view of the heights that we hope some day to attain. With a microscope, as important as it is to increase our knowledge and make us think accurately, we enlarge tiny things which may unfortunately look so large that we may be diverted from our ultimate objective.

I would not be true to my own deepest convictions or to my responsibility to my constituency if I did not keep ever in front of me the long view through the telescope. At this vital hour in our history, the short-range microscopic analysis is not adequate.

Most of my colleagues already know of my keen interest in these world questions. My campaign last fall was built largely around my conviction that our

country must accept its share of responsibility for the setting up and supporting of a world organization to preserve the peace. But before my election and since, I have considered it a responsibility and a privilege to present to the people of New Jersey and other audiences the implications of the world situation and, as I saw it, the international responsibility and opportunity of our own country.

In the United States we have witnessed the amazing evolution of a great national conviction that the road ahead for America is the acceptance of our share of responsibility for the future peace.

In my talks and participation in open forums on this subject, I have endeavored to point out that there have been successive milestones on this road to peace, and among those milestones I have indicated first the progress of our Republican Party at the meetings of the national committee in 1942, the Mackinac Conference of 1943, and the national convention of 1944. I have pointed out also the more important bipartisan action taken by the House and Senate in the respective Fulbright and Connally resolutions and the particularly important milestone set up by the administration by Secretary Hull's able handling of the Moscow Conference in the fall of 1943, the Teheran and Cairo Conferences, the Dumbarton Oaks discussions in the late summer of 1944, the Yalta and Mexican Conferences of 1945 and now the San Francisco Conference.

This succession of events must be looked upon, as I suggested before, as milestones on the road to peace. If we look upon them as milestone on a road that we are traveling and bear in mind that no one of these milestones is a final destination, we can get the right perspective of the entire movement. This perspective, this vision, will make us realize that what we are seeking is not final perfection this early in our gropings for a new world, but rather progress. Yalta was a very distinct milestone in this progress, with all its limitations and with all its subsequent misunderstandings. There are real difficulties at San Francisco and there will be more before that Conference comes to an end, but I predict without fear of contradiction that San Francisco will be another and significant milestone and will take us far along the road. Let us not expect perfection, but let us expect progress and let us rejoice when that progress is made. And let us ever have the courage to blaze new trails.

II

Presently the Charter of San Francisco will be brought back to the Senate for ratification by the required two-thirds vote. The most effective attack that can be made on that treaty will be made by those who will point out this difficulty, that difficulty and the other difficulty, and who may maintain that, with these difficulties, the treaty is imperfect and therefore should not be ratified. Or, in the alternative, reservations may be demanded which by their very nature may prevent acceptance by the other participating nations.

We will have the voting issue, the veto issue, the Polish issue, the trusteeship issue, and other issues that will rightly belong to the peace conference, and these issues may lead us off our road and blind us to our fundamental responsibility to continue to move ahead in the direction in which we have been moving—the setting up of continual milestones on the road to peace and security.

San Francisco then is vitally important. And I have full confidence in those who are representing us there. As a member of the United States Senate, I feel our attitude in considering the treaty soon coming to us for ratification, must be both positive and constructive. This does not mean that we should not examine that treaty with the greatest care. That is our responsibility. That is the kind of microscopic study that is most important, but it must not take us off the road. Our whole approach to the debate must be with the telescopic end in view that we will ratify. Anything less than ratification by the United States of America would let down the whole world at this time of its travail and anxiety.

III

And so I want to go on record personally before my colleagues as supporting this primary political step in our progress. And in the same spirit in which I approach this decision, I want to approach the issue of international economic collaboration as an issue which is only second in importance to political collaboration. In this category we find the reciprocal trade agreements program and the Bretton Woods proposals. These procedures, as I see them, are additional milestones on the road to peace. On another occasion I plan to discuss the Bretton Woods proposals in a similar spirit, but today I wish to devote my attention to the reciprocal-trade agreements.

And let me suggest here that, as in the case of the San Francisco political proposals, it will be most unfortunate if partisanship enters into our discussions of these economic proposals. If we need political collaboration to preserve the future peace of the world, I am beginning to see from my studies that we will need economic understandings, if we are to lay the foundation for preventing the causes of future wars. This must have nothing to do with Republican or Democratic party policies. Everything having to do with our foreign affairs must be American and not partisan.

IV

Now, let us consider the Reciprocal Trade Agreements, and immediately set our thinking straight on one important point. This must not be a debate on high-tariff protection versus free trade, as most of my correspondents seem to think it is. I am not a free trader. I believe in scientific tariff protection. At the same time, I am an ardent supporter of the principle of tariff making involved in the trade agreement method, as opposed to the unilateral, tariff schedule making by Congressional logrolling. So let us first of all turn our telescope on the over-all objectives and the principle of agreement versus unilateral action.

The issue on this point is How do we want our trade relations with other nations determined? How can we most effectively protect and strengthen legitimate American business and develop a sound all-around economy? After careful study of the entire situation, and especially the challenge of the postwar world, my conclusion is that the trade-agreement method of mutual benefit is the sound approach. And let me state right here that I am not satisfied with the machinery of the present method of preparing these agreements. The "most-favored-nation" clause has dangerous possibilities. We need a better understanding of the multilateral principle as opposed to the bilateral. I want to see what comes out of San Francisco along the lines of the Economic and Social Council proposed at Dumbarton Oaks. I believe there are great possibilities in the handling of international trade agreements through some form of Economic Union. We are groping for light, but I do not see how that light can come from our traditional, unilateral, high-tariff policy. Like begets like. Our movement back to unilateral protection undoubtedly would immediately throw the rest of the world into tariffs, quotas, embargoes and other barriers to world trade. This, as I see it, would mean isolationism, economic chaos and the threat of World War III. No—we must very definitely continue the principle of the trade agreements.

V

What we are facing is a fundamental decision that the United States must make and must make soon. Until that decision is made, we shall be in a "fog" with regard to such questions as our tariff policy and the international monetary stabilization policy. That decision is whether in the postwar period we do or do not favor a world-wide expansion of international trade in which we will be an active participant. Do we propose to expand our exports at a time when there will be a world-wide immediate demand for our production, and especially for the so-called durable goods—manufacturing machinery and other tools with which to produce? If our policy is expansion of export trade, how can we best lay the foundation for it in our foreign trade relations? Do we propose to make use of our greatly expanded merchant marine in the development of our overseas trade?

In my contacts and correspondence, I have encountered two different viewpoints—one opposed to and one strongly favoring the expansion of our foreign trade. I have sincerely tried to ascertain the views of my constituents, and I have discovered in my own State of New Jersey a genuine and understandable fear by some of our most important industries that any lowering of the tariff which may be contemplated by the Trade Agreements Act might cripple or even destroy those industries.

The general argument of this opposition is that the United States is the greatest market in the world, and that our first objective should be to keep this market for our American producers and not risk the influx of foreign goods made by cheap labor by opening our doors to importations. While this group, of course, believes in the development of our American export trade, it would limit

exports to the extent of paying for the importation of raw materials and manufactured goods which we do not ourselves produce. This group points out that our foreign trade has heretofore only been a small percentage of our total national production, and prior to the war approximated an income of about three to four billion dollars only, out of a national prewar income of upwards of $80,000,000,000. This group favors the return to our traditional tariff policy, and consequently opposes the extension of the Reciprocal Trade Agreements Act, with its movement toward freer trade.

My other correspondents, who favor expanding our foreign trade, are those who, as might be expected, are engaged in the export trade. But also there is insistent support for an expanding world trade by those who are demanding that no stone shall be left unturned to bring about the full collaboration of the United States in the over-all economic and political program to preserve the future peace. This group favors trade expansion, because it feels that trade expansion helps international understanding. Furthermore, this group insists that we must expand our exports in light of our enormous productive capacity, if we are to find employment for all our people. It looks forward to a national, annual income of upward of $125,000,000,000, and an increase of our foreign export business from the prewar three or four billion dollars to ten or twelve billion dollars. It favors a carefully administered adjustment of our tariffs to enable foreign countries to pay in goods—they have relatively little gold—for the exports they buy from us. Consequently it favors reciprocal trade agreements, under which both parties benefit, as distinguished from unilateral tariff schedules. This group favors the extension of carefully guarded credits to help other nations help themselves, and thus to expand world-wide production and the world-wide raising of living standards. It looks upon the basic principles of the Bretton Woods proposals as essential.

This group insists that the expansion of world-wide production and world-wide trade gives the best promise of enduring world peace.

The United States must decide and must decide promptly whether it is to take this road of international trade expansion, or the road of international trade contraction. This is a decision which will profoundly affect our future and the future of the world.

VI

After careful deliberation of all these issues, and conferences and correspondence with those in a position to understand the economic implications, it is my own conviction that the road of trade expansion is the road the United States should take. And that road can be most effectively taken if we continue the use of trade agreements in our trade relations.

Since I came to my own conclusions in this matter I have been encouraged and fortified in the soundness of this position by the action of many outstanding groups. I need cite only a few, but they are significant: The United States Chamber of Commerce, Committee for Economic Development, Committee on International Economic Policy, Carnegie Endowment for International Peace, executives of both the American Federation of Labor, and the Congress of Industrial Organizations.

Believing that postwar world-trade expansion is the road the United States should take, I hope to see set up at San Francisco an Economic Council, as suggested in the Dumbarton Oaks proposals, which will explore this whole matter of international trade and will develop a program on which the participating nations can get together, having in mind, of course, the protection of their own respective internal situations. I also look forward ultimately to the development of an economic union which will be built along the lines of multilateral rather than merely bilateral trade agreements. In other words, I hope to see a prompt expansion of the trade-agreement principle by United Nations action.

VII

What will this do to my constituents in New Jersey? New Jersey is an industrial State—what might heretofore have been called a high-tariff State. I have heard from several industries, which are fearful of and opposed to the trade-agreement procedure: textiles, glass and china, chemicals, wire and cable, nonferrous metals, leather, the pencil industry, and others.

Certainly these industries are of first importance and their interests must be carefully considered in any future trade policy which the United States may adopt.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WAGNER. Mr. President, the Committee on Banking and Currency held a rather late session today. I was unable to be present in the Chamber in answer to the quorum call. I should like to have my presence in the Chamber now recorded.

The PRESIDING OFFICER (Mr. HOEY in the chair). The RECORD will so show.

Mr. TOBEY. Mr. President, I make the same request on behalf of the Senator from Ohio [Mr. TAFT] and myself.

Mr. FULBRIGHT. Mr. President, I should like to be included in the same group.

The PRESIDING OFFICER. The RECORD will show the presence of the Senators named.

Mr. SMITH. Mr. President, I want to say to those industries in New Jersey, and to industries in other parts of the country, that, in my judgment, their interests can be better looked after by us, their Representatives here in Congress, under the reciprocal trade-agreements procedure than they could be under the old unilateral-tariff-schedule method. We will continue, of course, to have the battle between high- and low-tariff advocates, but I believe that can be carried on more effectively with the assistance of an expert tariff commission working with our State Department and the other departments now included in trade-agreement negotiations, than it could under the old "you tickle me—I'll tickle you" formula.

Mr. BUSHFIELD. Mr. President, will the Senator yield for a question?

Mr. SMITH. Yes; I am glad to yield.

Mr. BUSHFIELD. Did I correctly understand the Senator to indicate by his remarks a moment ago that he favors the approval by the Congress of these trade agreements?

Mr. SMITH. I did not indicate that, but I have no great quarrel with the principle of having the agreements ultimately approved by Congress when we have revised the procedure. I have no quarrel with the application of that principle if it does not too greatly complicate the situation. However, I am not in favor of it now. I think we have an immediate task to do, and I think it will only complicate the picture if we bring that element into it.

Yesterday I listened with great interest to the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] and I am very much interested in the constitutional question which he raises. But personally I hope we do not go into that phase of the matter, because I think we are now facing an emergency situation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. AIKEN. With regard to the approval of trade agreements by the Congress, is the Senator familiar with the number of trade treaties which have been approved by the Congress since the United States became a Nation?

Mr. SMITH. No; I do not think I have the figures in mind.

Mr. AIKEN. If I recall correctly, trade treaties of the nature which are obviously referred to have been approved by the Congress only three times. I am not sure of the exact number, and that is why I am asking for information. But, if I recall correctly, only three times have trade treaties of the nature now being discussed, which have been submitted to the Congress, been approved by the Congress. It is obvious that in treaties where 50 or 100 different articles might be involved, every group affected would bring its lobbies and pressure groups down on the Congress. If my information is correct, only about once in 50 years is it possible to get one of those agreements approved by the Congress.

Mr. SMITH. Mr. President, the distinguished Senator has stated very well my feeling that now, with the situation in which we find ourselves, we must trust to the Executive the handling of these matters, and not complicate the situation by insisting upon congressional approval, for the very reason the Senator has stated, namely, that there would be a return to the old logrolling system which prevailed heretofore when Congress undertook to write tariff schedules.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. FULBRIGHT. The Senator said he was impressed by the constitutional argument. He does not really feel that there is anything unconstitutional about the operation of the trade-agreement system, does he?

Mr. SMITH. No; I do not think so. I think the trade-agreement procedure can be operated properly within our constitutional system, and I am confident that important authorities have passed on that point.

Mr. President, I have examined my correspondence with care, and in no instance do I find evidence offered to show that any specific industry has been seriously injured by any reciprocal trade agreements heretofore written. I have received long and extended briefs and arguments indicating what may happen under certain assumed circumstances, but, as I said above, there has been no statement of any case that I recall where actual damage is alleged. I am advised that in certain industries in the United States a real injury has been suffered by existing trade agreements. I refer to the zinc industry, the lead industry, the watchmaking industry, and, as some claim, the cattle industry. There are, doubtless, others where there has been actual injury and which may have offered their evidence at the various hearings before the Congress, which I have not had the opportunity yet to explore. The point which I wish to emphasize, however, is that practically all the arguments turn on the old protection versus free-trade debate, rather than on any definite showing of harm actually done. And certainly where injury may have resulted, it can be more easily remedied under the trade-agreement procedure than under the old tariff-making formula.

I do not admit for a moment that we cannot have injuries remedied by dealing with the departments that are handling these agreements. The agreements are written for only 3 years, and we are feeling our way.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TOBEY. Along the lines on which the Senator is now speaking, we have in documentary form the word of the President of the United States that under his jurisdiction as President, during his term of office, no such injury will accrue to American business. I suppose the Senator was aware of that.

Mr. SMITH. I was; but I thank the Senator for stating it for the RECORD.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TAFT. Of course, if that argument were carried to an extreme it would authorize the approval by Congress of every conceivable measure which authorized the delegation of power. A fundamental principle of mine, and I think of most Senators, is that the authority of Congress shall not be delegated. The theory that delegated authority will not be improperly used, if we subscribe to it, is an argument, if at all, which destroys any value of our effort to lay down standards and to prescribe rules by which the Executive action shall be determined.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. TOBEY. With the permission of the Senator from New Jersey, I address my question to the Senator from Ohio. Is it not a fact that during the last 7 years of the dire emergency which has existed throughout the world, he and most of the rest of us who have been working during this period have joined in the delegation of power and have had a satisfaction in doing so?

Mr. TAFT. I will say in answer to the Senator that I never had a satisfaction in doing so.

Mr. TOBEY. Then the Senator did it in dissatisfaction; did he?

Mr. TAFT. I have only done it with reference to the armed forces of the United States engaged in the war. I have opposed every delegation of authority for emergency purposes or other purposes in connection with which Congress does not lay down an express standard to govern the Executive authority. The argument that we are perfectly safe because the President says, "I will not use these powers; I will not do anything wicked under this bill," certainly is utterly unsound, and is contrary to every principle of the Democratic Party, of the Republican Party, and of constitutional government.

Mr. TOBEY. Mr. President, will the Senator from New Jersey permit me to make a further statement, speaking now to my friend the Senator from Ohio?

Mr. SMITH. I yield.

Mr. TOBEY. I have the highest regard for the Senator from Ohio, as he knows. I should like to cite again, in connection with this discussion, a quotation to which I have referred a number of times. It could well be quoted a thousand times, and even that would not be too much. It applies to reciprocal trade agreements; it applies to the Bretton Woods agreement; it applies to the OPA; it applies to many other things. Here it is. I am not saying it; Lincoln is saying it:

> The dogmas of the quiet past are inadequate to the stormy present. As our case is new, we must think anew and act anew, fellow citizens, we cannot escape history.

Laugh that off, if you will.

Mr. TAFT. Mr. President, will the Senator from New Jersey further yield to me?

Mr. SMITH. I yield.

Mr. TAFT. Let me say in response to the quotation cited by the Senator from New Hampshire that certainly there is nothing quiet about the present; I agree with the Senator about that, I am sure. [Laughter.]

Mr. BREWSTER. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH. I yield.

Mr. BREWSTER. I assume that the characterization of "dogmas," as applied by Abraham Lincoln, would be equally applicable to any proposition which might be reported on this floor. I do not believe it defines our situation at all. Under that, Hitler, Stalin, and anyone else could find full authority for anything they proposed to do, simply because times have changed. They certainly have changed, Mr. President.

Mr. TOBEY. Mr. President, will the Senator from New Jersey permit me to speak again for a moment?

Mr. SMITH. I yield.

Mr. TOBEY. The Senator from Maine has referred to history, but that is not all which must be considered in this case. What he fails to recognize is the great principle—we do not like to consider it, but we have to—that the world is, today, in a state of chaos, and the alternative to doing something is doing nothing. I will not be a party to doing nothing. We must do something now. We must wake up, wipe the dust from our eyes, and see that the world is dying, and do something to relieve the strain. I will not be a party to inaction.

Mr. BREWSTER. Mr. President, will the Senator from New Jersey further yield to me?

Mr. SMITH. I yield.

Mr. BREWSTER. Let me say that since all the Senator from New Hampshire advocates is change, will he agree to any proposal which is advanced?

Mr. TOBEY. If the Senator from New Jersey will permit me to reply, let me say that, ergo, the Senator from New Hampshire is not a fool—a description he might deserve if he for a moment advocated a change only—and he trusts that the Senator from Maine does not really think the Senator from New Hampshire would agree to any change which might be advocated, merely because it would be a change.

Mr. BREWSTER. That is the only thing they are doing so far.

Mr. TOBEY. Oh, no.

Mr. BREWSTER. Well, that is the only thing that Abraham Lincoln said.

Mr. TOBEY. Oh, no; it is not, either. Lincoln said:

> As our case is new, we must think anew and act anew.

Mr. BREWSTER. What does that prove?

Mr. TOBEY. It proves that we must think anew, and we may have to leave behind some of the old moorings, if necessary, in order to reconstruct a stricken world. It is no time for a static mind.

Mr. BREWSTER. Does the Senator recall what Abraham Lincoln said about the tariff? It seems to me that we should consider what he said with regard to the subject we are now considering. I think he said that the protective tariff was the only protection of the American workingman. That was his formula in that day, and I think it is equally applicable today.

Mr. TOBEY. Let me ask the Senator whether, with his ability, he would think for a moment that if Abraham Lincoln were living today he would be against the extension of the Reciprocal Trade Agreements Act, or whether he would take a world-wide view of the matter.

Mr. BREWSTER. I certainly cannot undertake to say what Abraham Lincoln would say or do as of today. I can only quote what he said in his day. I think the quotation from Abraham Lincoln, cited by the Senator from New Hampshire, to the effect that he said we must face new conditions with new solutions, does not prove that reciprocal tariffs are the solution of all our economic ills.

Mr. TOBEY. No; but we are earnestly seeking a solution of the ills we now suffer, and we cannot close our eyes to the fact that it is a new situation of a most serious nature, of world-wide dimensions,

and, in my opinion, it calls for new remedial efforts.

Mr. BREWSTER. Mr. President, if the Senator from New Jersey will permit me to make a further remark, I should like to say that I think we should keep our eyes open with regard to the solution which is indicated rather than blindly follow the dogmas of the past.

Mr. TOBEY. No one has suggested that for a moment. The Senator from Maine is attributing to me something I never would recommend. I pay tribute to the histrionic talent of the Senator; and, Mr. President, I now take myself out of the discussion.

Mr. SMITH. Mr. President, I am afraid I started something.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. YOUNG. I agree with the Senator from New Jersey that ordinarily we should not be selfish about these matters, and I think the President of the United States could, perhaps, effectuate these trade agreements quicker than we could; but when the security of one's home and State is concerned, one cannot help but be concerned for himself. I have in mind my own State, which is practically an agricultural State. Overnight the President could reduce the tariff on wheat, hogs, sheep, and butterfat, and we would be ruined. We would have to move out of the State. I can see how such a thing could happen under a different President. I am wondering if it is wise to delegate such powers as would be delegated under this bill.

Mr. SMITH. I am aware of the difficulty which faces the Senator from North Dakota. I have the same difficulty in my own State, which is an industrial State. However, it seems to me that the course which has been proposed is the proper one to take, as I shall try to point out.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. MILLIKIN. I should like to suggest that President Truman's assurance is an argument against the expansion of the present power. An import which does not do harm to this country should be on the free list. It should not be a subject of a reciprocal trade agreement. Any article which is properly the subject of a reciprocal trade agreement is bound to harm some American industry. So, when the President tells us that he will employ reciprocal trade agreements in a way which will not injure any industry in this country, either he is giving us an assurance which he cannot make good in practice, or else he is telling us that he will cover by reciprocal trade agreements articles which should be on the free list.

Mr. SMITH. I thank the Senator for his observation.

VIII

I am convinced, therefore, that the United States can enter into the reciprocal trade-agreement program with safety. Our position is entirely different from what it was prior to World War I. During World War I we moved from a debtor position to a creditor position in world affairs. With this creditor position, and now with the confused aftermath of World War II, we are challenged with a completely new situation which, as I said earlier in my address, we must approach from scratch. The adoption of the program proposed for trade expansion undoubtedly will move us in the direction of lower tariffs, and it is possible of course that this will present a situation where the over-all good of all of our people may call for temporary hardships for a few. But these hardships, I believe, are far less than appear from a superficial study of the situation. As I said previously, the letters that I have received express fear of what may happen, rather than what actually has happened.

Furthermore, I have every confidence in our American ability to meet competition anywhere in the world or here at home. We know the methods and skills of mass production with consequent low-unit cost better than any other nation in the world.

Mr. BUSHFIELD. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BUSHFIELD. Trade agreements have been in effect since 1934, as I recall. Therefore, there has been a specific purpose of expanding and enlarging our exports. Yet, during the period of time to which I have referred, agricultural exports decreased 50 percent.

Mr. SMITH. I thank the Senator for his observation.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BREWSTER. I noted the Senator's reference to our moving from a debtor to a creditor position. His statement is similar to that which is made very frequently in discussions on this subject. It is said that we are now the greatest creditor nation of the world. I wonder to what extent the Senator has explored the basis of that apparent assumption.

Mr. SMITH. I think the over-all picture of our credits and debits warrants us in believing that we are a creditor nation. Of course, lend-lease is in the picture. We must consider that fact.

Mr. BREWSTER. Does the Senator assume that we should consider lend-lease as being a credit abroad?

Mr. SMITH. I do not think we should consider it too extensively as being a credit, because a great deal of it will not be paid back. We are, however, in the reverse position of that which we were in prior to the First World War when we were definitely a debtor nation.

Mr. BREWSTER. Our supply of gold has been steadily shrinking. As a result of the operations of lend-lease we have furnished approximately from $35,000,000,000 to $40,000,000,000 to foreign countries, and I do not believe we can expect to get back any material portion of the money. Meanwhile we have obligated ourselves to foreign countries for the materials which we have received from them, so I think that on the basis of short-term balances, today we owe approximately from $5,000,000,000 to $6,000,000,000. They represent credits which foreigners have in this country and which they could at any time demand us to pay either in gold or material. I find that situation to be difficult to reconcile with the repeated assertion that we are a great creditor Nation, and that we must be the Nation to finance world recovery.

Mr. SMITH. I am not making such an argument. I do not believe the distinguished Senator would maintain that we now owe more than we are owed, would he?

Mr. BREWSTER. It all depends on whether we take into consideration lend-lease. If the Senator believes that lend-lease will be repaid, then his position is correct. If he believes that it will not be repaid, I think the question is left open.

Mr. SMITH. Of course, an obligation may be considered as being owed. Many obligations have been owed to me during my life so far, which were never repaid, but I nevertheless thought they were owed to me.

Mr. BREWSTER. I should like to ask the Senator why he considers foreign countries are in debt to us under lend-lease.

Mr. SMITH. I think they are in debt to us, yes. Whether they repay the debt or not, I do not know.

Mr. BREWSTER. The Senator does not expect that it will be repaid, does he?

Mr. SMITH. I think some of it will be repaid and that some of it will not.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. AIKEN. I should like to correct an impression which is very prevalent, but which is false. I refer to the impression that the Federal trade agreements have been very injurious to American agricultural interests. In support of that statement I may say that some persons hold that after we entered into the trade agreement with Great Britain on January 1, 1939, our industrial exports increased and our agricultural exports decreased. Therefore, it is said that we sold out agriculture for the benefit of industry. I freely confess now that I used to believe that contention until I examined the record and found that we obtained numberless concessions on our agricultural exports to other countries.

It is true that our industrial exports increased and our agricultural exports decreased for the year beginning 1939. The reason was that at that time England, Russia, and Japan were buying everything they could obtain in this country with which to make war materials. The war started in the year 1939, and Germany—our second largest customer for agricultural exports—was completely eliminated from the market. So was central Europe and Italy, which ranked well up toward the top as purchasers of agricultural products. Agricultural exports to countries which were not blockaded increased, but naturally we could not eliminate Germany, our second best customer for agricultural products, the country which bought pork, lard, and many other products from us, and still maintain our volume of exports.

I wish to take this occasion—and I thank the Senator from New Jersey for giving me the opportunity to do so—to make clear why our industrial exports increased and our agricultural exports

decreased from 1939 on. I recall that previous to 1939 our apple market was prostrated because Great Britain had found various ways of shutting our products out of their markets. After the trade agreement went into effect our apple exports increased. I shall not attempt to say how much they increased, but I think we exported, in value, more apples after the trade agreement went into effect than our imports of woolen goods from Great Britain amounted to.

Mr. SMITH. I thank the Senator for his contribution.

Mr. YOUNG. Mr. President, if the Senator will further yield to me, I should like to state that at the present time one can go into Canada and buy almost anything unrationed. For some strange reason England is not buying in Canada, but is buying in the United States. After that situation comes to an end will not our agricultural exports decrease greatly?

Mr. AIKEN. I do not think Canada and the United States together can begin to supply the food needed by the world for the next 2 or 3 years, and naturally if foreign countries can get something for nothing rather than get it where they have to pay for it, they will take it under lend-lease from us, so long as they can get it.

Canada has a system, which I think is a pretty good one, of contributing so much as her part of carrying on this war. The amount is approximately $700,000,000 a year, as I recall, in addition to the contribution of her armed forces, and then whatever else is obtained from Canada those who obtain it have to buy and pay for.

Mr. YOUNG. I just came back from the Canadian border; and many Americans who go into Canada are bringing back hams and many other things which they buy in Canada, and they will probably continue to do that so long as they can get the articles.

Mr. AIKEN. I do not know whether the Senator from North Dakota was at a meeting of the Committee on Agriculture and Forestry held about 2 months ago, where it was brought out that this country requested Canada a year ago last fall not to export meats into this country, and had never rescinded that request. The Canadians said that was why they were not sending meat to help us; they had been asked to refrain from doing so, and the request had not been rescinded. Whether it has since been rescinded I do not know; but I think it safe to say that Canada and the United States together could not supply the world needs. I was surprised to learn in looking at the statistics that we even export a million bushels of grain to Canada. I presume that takes care of local conditions along the border.

Mr. SMITH. Mr. President, I will continue with my remarks.

As I have said, I have every confidence in American ability to meet competition anywhere in the world or here at home. We know the methods and skills of mass production with consequent low unit cost better than any other nation in the world. We have learned this because of our fundamentally intense, competitive, private industry economy, and our definite opposition to monopolies and cartels.

Mr. BREWSTER. Mr. President, will the Senator yield at that point?

Mr. SMITH. I will yield, but I am a little afraid of losing the continuity of my thought, if the discussion is diverted too much. I was trying to give to the Senate the whole picture. I shall be glad to yield, keeping that thought in mind.

Mr. BREWSTER. What I am about to say bears on the specific point the Senator from New Jersey has been making. He says he has every confidence in the ability of the United States to meet foreign competition. I am wondering how far he carries that. Does he mean that he feels we could afford to adopt a policy of free trade?

Mr. SMITH. I do not believe in free trade.

Mr. BREWSTER. The Senator does not believe that America, under free trade, could meet all competition. He limits the term.

Mr. SMITH. As I shall show a little later—and let me finish my thought—I feel that we can, by the trade-agreements policy and the readjustment of our trade economy fit into the picture, compete with any set-up. I think we can protect our industries adequately by the trade-agreement method.

Mr. BREWSTER. Does the Senator agree that it is all a matter of both an honest and intelligent application of the protective principle? The Senator does subscribe to the protective principle, does he not?

Mr. SMITH. I said earlier in my address that I believe in scientific protection.

Mr. BREWSTER. The Senator thoroughly believes, does he not, that it is merely a question of how that protection shall be provided and how far the Congress shall relax its primary responsibility and control.

Mr. SMITH. My preference is for the agreement method in determining trade relations, rather than by a unilateral tariff written by Congress itself.

Mr. BREWSTER. The Senator makes a distinction between, let us say, what he terms unilateral action by Congress, which I think every one is agreed is pretty well out of date, and trade agreements, say, as distinct from the scientific determination by the Tariff Commission as authorized under existing law which provides that the Tariff Commission, after scientific determination, may cut any tariff 50 percent, the benefit to go to all nations.

Mr. SMITH. I call the attention of the distinguished Senator from Maine to what I understand is the set-up. We are adding by the pending bill the War and Navy Departments to the group that will help the President in the negotiation and making of trade agreements. I will go as far as the Senator from Wyoming [Mr. O'MAHONEY] went last night, when he suggested that ultimately we probably might have representatives of the committees of the House and Senate taking part in the negotiation of trade agreements. That might be a future development. I am merely suggesting it parenthetically now. So I do not think that merely an expert Tariff Commission should have the authority, but different groups in the various departments that know the conditions, with, I hope, the Senate and House representing all the people, should develop our ultimate policy.

Mr. BREWSTER. Does not the Senator recognize that that is a deviation from what he properly terms the scientific principle? The scientific principle would involve a group in the nature of a tariff commission, theoretically, and the minute there is introduced, whether it is the State Department, the War Department, the Navy Department, or any other agency, there would be injected something other than what he would term scientific trade adjustments. The Army and Navy, for example, have to do with military and naval matters, the State Department with diplomacy, and we are political, naturally, thinking in terms of our constituents, but we have under existing law, irrespective of reciprocal trade agreements, a scientific method of determination, enunciated in Republican tariff laws. It seems to me that that is frequently lost sight of in bowing at the shrine of the reciprocal principle.

Mr. SMITH. I think the Senator's question will help bring out and develop the whole subject, and I am very grateful to him. I feel that the trade-agreements procedure is the important thing that we should endorse because of the special situation we are now in, and I am hopeful, as I said earlier in my remarks, that this method of procedure can be maintained and strengthened.

Mr. BARKLEY. Mr. President, will the Senator yield there?

Mr. SMITH. I yield to the Senator from Kentucky.

Mr. BARKLEY. Although recognizing the scientific basis of tariff reduction by the Tariff Commission, as we have done for a number of years, even that is a unilateral reduction. The Tariff Commission has no power of negotiation. The Tariff Commission can not exact or request of any other nation any reciprocal advantage because of any reduction it brings about. It is merely a straight reduction, based, usually, on scientific investigation with no advantage for our commerce, our trade, and our country, and of no advantage whatever by reason of lack of ability to give and take as in the agreement program which the Senator is so ably discussing. It cannot be assumed that the scientific basis is entirely absent from the trade agreements, because, as was testified before the Committee on Finance, it takes anywhere from 5 months to a year to go through the machinery and to bring about one trade agreement, which at least convinces me that the work is done very carefully, and I think it is done scientifically; but, in doing it scientifically, as the Tariff Commission may do, we are in a position to get something in return for what we are doing even on a scientific basis.

Mr. SMITH. I am glad the Senator brought that point out.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. BREWSTER. Adverting to the comment of the Senator from Kentucky, while it is true we do not get the trading aspects of the matter, it is also true that under such a reduction we do get what I had understood was the chief advantage urged for reciprocal trade agreements, namely, we build up our foreign imports, and thus enable those who import to us to pay for our exports to them, and we get the full benefit. The only limitation which the Senator from Kentucky would point out is that the very few countries with which we have no trade agreements would, under the most-favored-nation clause, get the benefits; but I think he would agree that they are pretty negligible benefits in our economy. That would be the only difference between one system and the other insofar as the advantages accruing from increased imports are concerned.

If the theory of the Trade Agreement Act is correct that we benefit by imports, because they enable foreign countries to pay for our exports, then the foreign countries are the ones that are closing their doors to us to their own disadvantage. I think we might rely upon their recognition of that argument if we are to proceed along the lines hitherto laid down.

Mr. SMITH. I thank the Senator. I should now like to continue my argument. I shall begin again the paragraph I was reading when the Senator from Maine interrupted me, so as to present the whole thought.

I have every confidence in our American ability to meet competition anywhere in the world or here at home. We know the methods and skills of mass production with consequent low unit costs better than any other nation in the world. We have learned this because of our fundamentally intense, competitive, private industry economy, and our definite opposition to monopolies and cartels.

These convictions and practices of the American people will, it seems to me, make it possible for us to meet legitimate competition and still maintain the living standards of our people. We can pay higher wages and produce a lower-priced article than any nation in the world—if we can produce in sufficient quantity—and we can maintain these altitudes of desirable objectives by demanding, as the price of our tariff concessions, that competing nations grant constantly rising standards to their workers. It is here where I suggest that an intelligent tariff policy could operate most effectively—not aimed to make unfair profits for a selected few—either nations or individuals—but to make low-priced products for a vastly expanded consumer market, a world-wide consumer market created by rising wages to an ever-expanding mass of ordinary people who then could afford to buy the lower-priced products produced.

And so I favor the extension of the Reciprocal Trade Agreements Act.

IX

But there remains a fundamental question: Should we grant additional powers to the President to reduce tariffs further as provided in the House bill—that is, to take January 1, 1945, as the date line from which we figure in the future the 50 percent discretion?

It was this provision that the Senate Banking and Currency Committee deleted.

On my first consideration of the bill, it seemed that we should not grant the additional power to the President which the bill contemplates, and I so stated publicly. On May 17, I issued a statement which was carried widely in the press of New Jersey. It read as follows:

It is my judgment that the Reciprocal Trade Agreements Act should be extended unamended for the immediate future.

The question of the extension of the act is related to the general tariff policy of the United States and to the question of our foreign trade after the war.

Our postwar foreign-trade policy is closely related to the problems now being considered by the Conference in San Francisco, and is vitally connected with the collaboration of the United States with the other United Nations in setting up an organization for the preservation of the peace of the world. The Dumbarton Oaks proposals include the setting up of a United Nations Economic Council to consider international trade relations and the operations of this council, of course, will be an important contribution to measures for the preservation of the peace.

We must bear in mind that if a world-wide trend toward Government-managed foreign trade is to be arrested, it will require a vigorous initiative on the part of the United States to demonstrate that a system of private, competitive, and nondiscriminatory trade will provide greater volume and scope to the trading nations of the world.

A willingness to offer reasonable hospitality to imports is the most powerful bargaining power than any nation can bring to the market of international trade. The reciprocal-trade program seems to offer a flexible medium through which we may exercise the greatest influence toward restoring the multilateral trading system under which we can operate to our best advantage.

In light of these considerations—

This was my position just 2 weeks ago—

it is impossible at this moment to determine how we should continue the reciprocal-trade policy in the postwar period—whether we should or should not give additional power to the President over our tariffs—whether we should favor a more or less flexible tariff policy, and whether we are satisfied with the present methods of tariff fixing.

It seems to me wise, therefore, that no change should be made at the moment in the present situation and that, therefore, the present Reciprocal Trade Agreements Act should be extended pending the termination of the Japanese war, and until such time as the United Nations Economic Council has been able to explore the whole situation and has made its recommendations to the various nations involved.

I think that is pretty close to the position taken in the report of the Committee on Banking and Currency.

I felt that this position was fair to our industries which have depended for their prosperity in the past on tariff protection. If we are considering an expanded postwar foreign trade with consequent tariff adjustments, it seemed to me proper that our industries should have a chance to readjust themselves. I therefore at that time favored a moratorium period.

I wish to emphasize that since this statement was issued I have explored the situation further, and in light of the most recent developments in international affairs, and after consultation with members of the State Department who will have the responsibility for negotiating the agreements, I am satisfied that full consideration will be given to the present situation—and I am dealing now with an emergency situation—of our American industries and to their adequate protection. What we are faced with in international affairs is the immediate setting up by the other United Nations of their future trade policies, and I feel that the United States would be under a very distinct handicap if our Executive and his aides, who are to represent us in negotiating trade agreements, should be deprived of the necessary weapons they will need to maintain our position. I believe that this consideration transcends the arguments against granting the additional powers. I favor, therefore, the restoration of section 2 to this bill in the form in which it came to us from the House. I take this position with confidence in the President and in the executive group who will have the negotiation of these treaties. I believe that they will protect those industries which I represent in the State of New Jersey and all other industries throughout the country.

Let me say in that connection that I feel it is an emergency with which we are dealing at this time, and that is why I have come to this conclusion.

The alternative is between trade adjustments by agreement with other countries or setting up, as heretofore, our unilateral tariff schedules. In the present crisis I am convinced that we should grant the powers asked for and trust those who represent us to handle those powers properly.

The argument for the President's discretion can be summarized. I was very much impressed by the admirable address delivered to the Senate last evening by the distinguished senior Senator from Georgia [Mr. GEORGE], and I think what I am saying is along the line of his argument.

Probably for some time after the war the state-dominated systems of Germany, Italy, and Japan will not be in a position to exert an important influence. Russia will certainly continue a policy of direct trading in the foreign field as in the domestic. The direction in which the United Kingdom and many of the other trading nations of the world will go will probably depend upon the alternatives offered. Within the United Kingdom and most of the other trading nations there are large and important groups who will choose the free private enterprise system, rather than a government-controlled system if it promises to offer world trade opportunities upon a scale sufficiently high to be more attractive. Unless the United States offers a strongly positive leadership, unless we throw our weight effectively on the side of nondiscriminatory multilateral world trade, there is immediate danger that the

private enterprise trading system will disappear.

Partly, the matter is one of our giving assurance of our good faith. If we want other nations to give up their major protective trade barriers—exchange control, bilateral agreements, cartel bargains, import quotas, and direct government purchasing arrangements, we must show a willingness to modify ours by a reasonable readjustment of our tariffs.

Most important, it is a matter of having at hand an effective bargaining instrument. Unless the additional margin for cutting duty rates offered in the Doughton bill is available to our negotiators, they might not have sufficient concessions to offer to win the concessions we seek. I am advised that we have left scant margin for further concessions to the United Kingdom, Canada, and much of Latin America. These important countries must join our orbit if there is to be a substantial area for competitive trade, and if we are to have an effective bargaining instrument, it must be a flexible one under which commitments may be made expertly, tactfully, decisively, and with reasonable dispatch. I do not believe that it is possible to provide this under the regular legislative tariff-making process.

Yesterday in the New York Herald Tribune, Mr. Walter Lippmann in his column entitled "The Senate and Mr. Churchill" points out the dangers to the United States in not giving our representatives adequate power in dealing with this immediate postwar situation. He quotes Mr. Churchill, who was speaking for all British parties and not solely for the Conservative Party, as saying that Great Britain will not give up its right to safeguard its balance of payments by whatever means are necessary. This means, as the able Senator from Georgia pointed out in his striking address last night, that Great Britain may be forced into the orbit of the collectivist countries which will be carrying on their foreign affairs by government action, rather than by the free-enterprise system of individual action.

There is a great struggle in the world, Mr. President, between collective action and individual, private-enterprise action, and I feel that is involved in this whole debate.

If Britain is pulled into this orbit, it will be a very distinct threat for everything that we have stood for here in America and for many of the things for which the war is being fought. It is my considered judgment, therefore, that we must permit the President and his advisers, whose group will be enlarged by inclusion of representatives of the War and Navy Departments, to negotiate these treaties for us, and it will be our responsibility and opportunity to back them up in every possible way in developing the proper relation of the United States to the other nations of the world in the postwar trade situation. This economic step is a vitally important additional milestone on the road to ultimate world peace.

X

After reviewing this whole subject, I have come to the conclusion that the United States, emerging from this war with an enormously expanded productive capacity, will be interested in the freest possible access to foreign markets. We will be interested in the highest standard of living for our customers throughout the world, so that they can be adequate consumers.

But while we will be interested in international cooperation, in trade policies, in monetary policies, and in foreign investments, our deepest interest lies in the hope expressed by me when I began my remarks. That hope is the maintenance of peace among nations and in the preservation in this country of truly democratic institutions. For these reasons, if for no other, we should participate with other nations in framing common postwar economic policies. For in such combined economic action, supplementing the corresponding political and military action which will be the outgrowth of the San Francisco Conference, seems to lie our real hope of establishing a world in which there may be a reasonable measure of both freedom and security.

We have a double responsibility. On our willingness or refusal to participate in a program of international cooperation will depend not only our own destiny, but the destiny of millions beyond our borders. And let us have faith that these ideals may some day be realized. By faith, since the dawn of human history, man has struggled toward freedom—not freedom from fear and want, insured by the State, but freedom from fear and want, insured by freedom of opportunity. There is a real distinction between insuring these freedoms by the State and insuring them by freedom of opportunity.

And so, Mr. President, it seems to me that in facing this whole picture, and in particular the immediate problem before us, namely, the extension of the Reciprocal Trade Agreements Act, our attitude may well depend on what kind of a glass we are looking through. Are we looking through a microscope which is too negative, too critical, which is destructive and selfishly introspective, or are we looking through a telescope, which is positive, bright-colored, long-visioned, the telescope of faith, hope, courage, leading us on the road toward the divine, far-off event, the ultimate understanding and good will between men of all nations?

Mr. AIKEN. Before the Senator from New Jersey takes his seat, will he yield to me?

Mr. SMITH. I yield.

Mr. AIKEN. I now have some of the information I was seeking earlier in the Senator's speech in regard to the ratification of trade treaties by the Senate, and inasmuch as it has been advocated that the Senate should ratify agreements which have been entered into by the executive department under authorization given by the Congress, I should like to read our national experience into the RECORD at this time.

During the lifetime of this country, some 160 years, there have been three reciprocal tariff treaties ratified by the Senate: One with Canada in 1854, one with Hawaii in 1875, and one with Cuba in 1902. Those three treaties were with countries with which we had very close relationships, geographical or otherwise.

Between 1844 and 1902 10 other reciprocity treaties were negotiated under the general treaty-making power of the Executive, but not one of them ever became effective.

The Tariff Act of 1897 specifically authorized the Executive to negotiate reciprocity treaties with foreign countries, which treaties would then have to be approved by the Senate. Under that provision 12 treaties were negotiated, but none of them ever even came to a vote in the Senate. They could not even get to the point where Senators would have a chance to vote on them. The Executive made the agreements, but the Senate had to give its approval.

In contrast to these attempts to put into effect trade treaties which had to be approved by the Senate, under the McKinley Tariff Act of 1890, which gave the executive department authority to make agreements under prior authorization of Congress and not subject to subsequent approval, 12 reciprocity agreements were made effective.

Under the Dingley Tariff Act of 1897, which contained similar authorization, 15 agreements were brought into force; and under the present Trade Agreements Act of 1934, 32 agreements have been concluded and brought into force.

So we might as well admit now that if we decide to give the executive department the right to make agreements with foreign countries, subject to the approval of the Senate after they are made, there will be no agreements put into effect at all, because in all our history the Senate has approved only three trade treaties of that nature, those with Canada, Cuba, and Hawaii.

Mr. BILBO. Mr. President——

Mr. LANGER. Mr. President, will the Senator yield?

Mr. SMITH. I now yield the floor.

Mr. LANGER. I wanted to ask the Senator from New Jersey a question.

The PRESIDING OFFICER. The Senator from Mississippi [Mr. BILBO] is recognized.

Mr. BILBO. While I had the floor at the beginning of the session, I was glad to yield to my distinguished friend, the Senator from New Jersey. I understand the Senator from New Jersey has now concluded his statement?

Mr. SMITH. I have concluded it; yes, but the Senator from North Dakota wants to ask me a question.

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from North Dakota to ask the Senator from New Jersey a question?

Mr. BILBO. I yield.

Mr. LANGER. As I understood the argument made by the Senator from New Jersey his statement was that we should grant this power to the Executive so that the Executive may have what may be called trading stock. Am I correct in that understanding?

Mr. SMITH. Something to trade with, yes, in the light of the way these treaties are negotiated.

Mr. LANGER. Congress gave the Executive $39,000,000,000 to use for lend-lease purposes. Five Senators took a trip around the world some time ago,

and on their return they told us, for example, that our troops would attack a certain island, and with great loss of life succeed in capturing the island, and on one such island, as I remember, we spent nearly $50,000,000, and after we had completed the fortifications necessary to make the island secure the American troops marched out and one Englishman came in, the American flag went down and the English flag went up.

In view of history of that kind, and in view of the fact that Congress placed $39,000,000,000 for lend-lease purposes in the hands of the Executive, and in view of the sorry record that was made, as is now evidenced by history, do I understand that the Senator believes the Executive should have the power, through the Department of State, to make any kind of tariff agreement he wants to make, without it being referred to the representatives of the people for ratification?

Mr. SMITH. I will answer the Senator by saying that in the present state of the world and the critical situation which confronts us, we have no alternative if we want to handle this matter intelligently and expeditiously. If, in the midst of the present emergency, we are to go into all the legalistic arguments respecting constitutional provisions we are in great danger of having the world move into a collectivist orbit and not preserve the free enterprise system we must preserve, and we must have England play the game with us in doing so. I do not think we ought to forget the abuses which may be possible, but there again I think the Senator is using a microscope instead of a telescope.

Mr. LANGER. Mr. President, will the Senator from Mississippi yield again so I may ask the Senator from New Jersey another question?

Mr. BILBO. Does the Senator wish to make a speech or simply ask a question?

Mr. LANGER. I simply wish to ask a question.

Mr. BILBO. Very well, I yield.

Mr. LANGER. The Senator from New Jersey says we have no other alternative. Let us assume this situation: Suppose Russia was competing with us in the field of oil, and another country was in the market to buy oil. As I understood the argument made by the distinguished Senator from Georgia [Mr. GEORGE] yesterday, because of Russian collective buying we would be at a disadvantage. Is not the alternative that we can set up a national corporation, something in the nature of our present Interstate Commerce Commission, which is directly responsible to the Congress, a Federal corporation which will have sufficient money and backing by the Congress, and thus have the Government compete with the collective system of which some seem to be so afraid?

Mr. SMITH. I have not given thought to that question. The whole question as to where we are to go from here is worthy of careful consideration. However, I do not believe that we have the time to set up a program such as the Senator from North Dakota suggests. In the situation which confronts us, when our Executive has the responsibility for moving, I wish to support him in developing trade relations for the immediate emergency. That is my plea. I am not asking for anything of a permanent nature. I am asking for further experimentation with the trade-agreement procedure, and perfecting that procedure in all our trade relations. All I am asking for is cooperation with the other countries of the world, in spite of the mistakes which have been made.

FAIR EMPLOYMENT PRACTICE COMMISSION

Mr. BILBO. Mr. President, I am sure we have all been delighted by the able and convincing statement of the views of the Senator from New Jersey sustaining the Reciprocal Trade Agreements Act. It is interesting to hear from that side of the Chamber a voice in favor of reciprocal trade agreements or reduction of tariffs in the interest of trade. Also it was very interesting to hear on that side of the Chamber the colloquy which we all enjoyed a while ago. This is possibly the first time in 12 years that the Republicans have had an opportunity to recite their Republican primers on the protective tariff. But, Mr. President, my purpose in taking the floor on this occasion is to call the attention of my colleagues and the people of the country to the serious consideration which the lawyers of Massachusetts are giving to the proposed Fair Employment Practice Commission, which to my mind is the greatest legislative monstrosity in the history of the American Congress.

The day is coming when all the people of this country will regret the wave which has caused a few States seriously to consider the enactment of so-called FEPC legislation. I am sure that all will agree with me that this proposed legislation has been sponsored by one or two groups, and, being sponsored by those groups, the majorities of both the Republican and Democratic parties have yielded, in their attempts to secure political support from such groups in the campaigns of the past and in the campaigns of the future.

A reading of the Democratic platform adopted at Chicago in 1944 will disclose no mention of the FEPC. However, some of the verbiage in that platform has been construed to mean that we oppose discrimination in employment because of race, color, creed, or origin.

Denying labor to a citizen of this country on the ground of any such qualification, and that alone, may be just cause for complaint in some instances. But the Republican Party, in its very great desire to reach out and get the Negro vote and the Jewish vote, which is sponsoring this bill, went all the way in favor of permanent FEPC legislation. In view of that fact, and because in a very short while we shall be face to face with such legislation on the floor of the Senate, I wish to read an article published in the June 4 issue of the Boston Traveler. It relates to an appeal by the Massachusetts Bar Association to the Massachusetts Legislature, which has had under consideration the enactment of a bill similar to the bill enacted by the State of New York under the leadership of Governor Dewey. The article reads as follows:

DEFER RACIAL BILL, BAR GROUP URGES—COMMITTEE LETTER OPPOSES ENACTMENT UNTIL WORKING OF NEW YORK LAW IS OBSERVED

Opposition to enactment of the Curtis anti-discrimination bill until Massachusetts has watched the New York law at work was expressed in a letter from the executive committee of the Massachusetts Bar Association, which is published today in the Massachusetts Law Quarterly.

MAY DO HARM

Addressing its letter to Senator Cornelius F. Haley, chairman of the committee on State administration, the executive committee urges that "it is a question of practical judgment whether the bill will do more harm than good." The proposed legislation would establish penalties for discrimination in employment because of race, color, religious creed, national origin, ancestry, or advanced age.

Signers of the letter are Attorneys Edward O. Proctor, Richard Wait, John H. Devine, Horace E. Allen, Clifford S. Lyon, W. Arthur Garrity, William E. Fuller, Guy Newhall, and Frank W. Grinnell. In a separate letter, Attorney John E. Peakes, of the committee, suggests postponement of action on the Curtis bill and advocates a legislative warning, in its place, that discrimination must be abandoned voluntarily or legislation will be enacted.

The committee letter submits that the subject is an emotional matter and "to compel men, against their wishes, to employ others who are, however unreasonably or unjustly, unwelcome either to their employers or to their fellow-employees, or to customers, would, in our opinion, tend to accentuate and deepen the prejudices which the bill seeks to allay."

I think the sponsors of this fool legislation will find out in the end that they will do more to arouse and accentuate the racial unpleasantness which prevails in many sections of the country than the FEPC law will ever be able to suppress. I continue to read from the article in the Boston Traveler:

It notes that there are sorts of employment where a confidential relationship based upon mutual sympathy and esteem is essential, which "could not exist under any system of forced employment."

It protests that the bill sets up a Government bureau with inquisitorial powers and "provides no adequate recourse to the courts for a person, who with complete sincerity, may believe he is being unjustly treated by the proposed administrative commission."

At the same time, the letter protests the exemptions for religious, charitable, and educational institutions, which he said should seek to set an example rather than obtain exemption from legislation they themselves have advocated. And the lawyers raise the question of the constitutionality of the legislation.

Of course, we all believe that the proposed legislation is unconstitutional. I do not know how it would fare in the Supreme Court as now composed, but there can be no question that the proposed legislation is unconstitutional.

I invite the attention of the Senate and the country to a special report from New York State, which is now operating, or is about to operate, under a temporary FEPC law. The New York law does not go into effect until the 1st of July. A large factory, located in New York and doing work for the war effort, recently suffered a cut-back, and it became necessary to release 75 or 100 women employees. The manager of the factory had working for him Negro women,

Jewish women, and white Christian women. When he was forced, because of the cut-back, to discharge a number of women from his employment, he released all the Christian white women in his employ, keeping the Jewish and Negro women on the job. When he was questioned about that procedure, he said:

Under this fool Fair Employment Act, if I release a Negro woman from my employment, I will be cited and will find myself in the toils of the law and subjected to the penalties of the FEPC legislation, because the Negro woman will at once claim that she was dismissed because of her color. If I dismiss one of the Jewish women, I will likewise be cited for dismissing a Jewish woman because of her religion. Therefore, to be safe I am going to discharge the white Christian women and keep the Negroes and the Jews.

I suggest to the sponsors of this legislation that before they put the final touches on it they make provision to prevent discrimination against the white Christian women of America who are forced to work in factories for a living.

LOAN TO ELLIOTT ROOSEVELT

Mr. BRIDGES. Mr. President, yesterday I was very much shocked to read in the press an account dealing with a loan of $200,000 to one of the sons of the late President Roosevelt, which loan was settled by a repayment of a mere $4,000. The headline states "Counsel for A. & P. Co. confirms disclosure of the deal."

I have read subsequent articles on this subject. I do not wish to take the time of the Senate to go fully into the matter; but when the son of a President of the United States borrows $200,000 and then is allowed to repay it for $4,000 it is a thing which citizens generally cannot pass by with a wink of an eye or the lifting of an eyebrow.

This is an affair that involves a moral issue, an ethical issue, and a question of general integrity; and it also concerns the taxpayers of the country who have to make up from their own pockets in taxes when Mr. John Hartford is allowed to write off such a sum on his income tax as a loss. Did Mr. Hartford try to collect this sum? What reason could there be for settling such a large loan for such a small amount?

I do not know whether it is true. I have read it in the press. I assume there must be something to it. I believe the Senate of the United States or the Congress of the United States as a whole cannot let this incident pass by and close their eyes to acts of this kind without ascertaining the truth. This story has been circulated about Gen. Elliott Roosevelt. If it is not the truth, that should be known, and Mr. Elliott Roosevelt's name should be cleared. If it is the truth, then the facts should be known and action taken.

I do not wish to condemn anyone until I know the facts, and I am very much interested to know the facts. I have talked to many Senators here on the floor today about it, and I know that it is a subject of concern all over the Nation.

I think the proper committee of the Senate—either the Interstate Commerce Committee or the Commerce Committee, or whatever the proper committee may be—any one of the appropriate committees—should properly look into it and should ascertain the truth of the situation. I do not think that this should go unnoticed, and I do not think Elliott Roosevelt's name should be in any way smirched if it is not true. But the truth should be ascertained, and this should be done at once.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield to me?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. In the meanwhile will the Senator also investigate everyone else in the United States who may have lost money?

Mr. BRIDGES. Mr. President, let me say to the Senator from South Carolina that I think I have presented this matter in a very fair way. I have not accused Mr. Elliott Roosevelt of anything. I say reports have been published in the newspapers about this loan and it involves a question of integrity, morals, and ethics, and we should know the truth. If they are true, that is one thing. If they are not, certainly Mr. Roosevelt should be cleared.

Other people in the country have lost money; but, as the Senator knows, if he has read the story about this case, there were peculiar circumstances, about this loan and method of settlement which make it a very unusual and unique case. Far be it from me to try to condemn a person until the truth of the matter and the facts are known. But some sunshine in the dark recesses might be healthy for the Nation.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 3240) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. GEORGE. Mr. President, I do not know what other Senator expects to speak at this time.

The PRESIDING OFFICER. The Chair will state to the Senator from Georgia that before the Senator from Wyoming [Mr. O'MAHONEY] left the Chamber he asked the Chair how long the discussion would last. The Chair told him the names of the Senators who were expected to speak. The Senator from Wyoming has not yet returned to the Chamber.

Mr. GEORGE. Then Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Downey	Langer
Austin	Ellender	Lucas
Ball	Ferguson	McCarran
Bankhead	Fulbright	McKellar
Barkley	George	Magnuson
Bilbo	Gerry	Mead
Brewster	Green	Millikin
Bridges	Guffey	Mitchell
Briggs	Hart	Moore
Brooks	Hatch	Morse
Buck	Hayden	Murdock
Burton	Hill	Murray
Bushfield	Hoey	Myers
Butler	Johnson, Calif.	O'Daniel
Capper	Johnson, Colo.	O'Mahoney
Chavez	Johnston, S. C.	Overton
Donnell	La Follette	Pepper
Radcliffe	Thomas, Okla.	Wherry
Reed	Thomas, Utah	White
Robertson	Tobey	Wiley
Saltonstall	Tunnell	Wilson
Shipstead	Tydings	Young
Smith	Wagner	
Taft	Walsh	

The PRESIDING OFFICER. Seventy Senators having answered to their names, a quorum is present.

Mr. TAFT. Mr. President, I regret very much that I was not able to hear the senior Senator from Georgia present the case for the minority of the committee yesterday and I regret that I have not had time to prepare as carefully as I should have liked the questions relating to the extension of the reciprocal trade treaties.

I rise to favor the committee amendment. If the committee amendment is adopted and the bill is then enacted containing the amendment, the reciprocal trade program will be continued for another period of 3 years. Treaties made during those 3 years may last for 3 years longer; so that it is possible that what we do now may affect the relations between the United States and other countries for a period of 6 years from this time.

I understand the reasons advanced for permitting the President to make additional cuts of 50 percent in tariff rates, but I do not think the reasons are valid. Personally I thought the Smoot-Hawley rates were too high, but they can now be reduced 50 percent. I do not think there is any evidence that when reduced 50 percent they are adequate to cover the difference between the cost of production here and abroad. I do not think there is any evidence that if they are further reduced to 25 percent they will come anywhere near protecting American industry against lower wage rates and lower costs in other countries. I think the evidence clearly shows that if that power is exercised it will put out of business many industries in the United States. That certainly is the evidence before the House committee and the evidence before the Senate committee. That is why I am opposed to granting authority to bring about an additional 50-percent cut, because it would eliminate American industry.

Those who are frank in favoring the amendment say that some industries ought to be eliminated, that they are not efficient industries and those engaged in them ought to engage in a mass-production industry and make goods which can be exported under present cost conditions.

I think the advocates of the measure are on the horns of a dilemma. They say they want to increase imports in cases where there is American competition, and yet they say that would not in any way injure any American industry that may be concerned. The two cannot be true. If they carry out their idea of increasing imports into the United States, that will necessarily injure the industries which are affected by the changes which may be made.

I have before me a table of the rates which were effective under various tariff laws. Under the Payne-Aldrich law, from 1909 to 1913, tariff rates on dutiable products were approximately 40.8 percent on the average. It must be under-

stood that about 65 percent of all imports come in on the free list, and only 35 percent are dutiable today, and on those the rates in the Payne-Aldrich law were 40.8 percent.

The rates on the average under the Underwood tariff law, from 1914 to 1922, were approximately 27 percent. Under the Fordney-McCumber law they were 38½ percent; under the Smoot-Hawley law, as affected by the Reciprocal Trade Act, they have been reduced on the average to about 31.6 percent in 1944. Therefore, this additional power would authorize a reduction of tariff rates on dutiable imports to approximately 16 percent, which is wholly inadequate to compensate for the difference in wages between this country and other countries. There cannot be any question that a further reduction of 25 percent in the Smoot-Hawley rates would amount practically to free trade so far as most of our industries are concerned. I do not understand the reason for granting such additional power at the present time.

We have not had any real trial of the 31-percent rate under the reciprocal trade treaties. The rate on all dutiable products had only been reduced by 1938 to an average of 39 percent. In other words, we have not had any trial of the 50-percent cut as yet. The State Department and the President approached it very gingerly in the beginning, and then gradually made a few minor reductions. Sometimes they imposed quotas, but the result was that the concessions were made of very little importance so far as the volume of imports was concerned. In 1938 when the war was beginning there was still an average rate of 39 percent on all dutiable imports.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Colorado.

Mr. MILLIKIN. I should like to call attention of the Senator to the fact that the percentage of imports is not necessarily the measure of damages. A single boatload of dairy products from Denmark, for example, can tear the whole domestic milk, butter, and cheese market to pieces.

Mr. TAFT. That is entirely true; any imports offered at a lower price certainly force a reduction in the price to the domestic producer.

The natural thing would be to say "Why not try the 50-percent cut?" We never have tried it. The most important treaty was made with England. It became effective on the 1st of January 1939, which was after Munich, and at a time when all England was engaged in preparing for the war which was certain to come. There was no normal exporting from England. We could not possibly judge what the effect of that treaty would be. One would think the natural thing would be to say, "Why not continue the law as it is for the present, and let us see what this 50-percent cut has really brought about." Is it going to result in the destruction of American industry as so many think it will?

Instead of that, it is proposed to reduce the 50 percent further, before we have even had any experience with the present 50-percent reduction. There is only one argument for it, so far as I am able to learn. I think, as a matter of fact, that proposal from the State Department completely surprised everyone in the Senate, including the distinguished chairman of the Committee on Finance. I do not believe anyone thought that the State Department was going to propose any such thing, because, after all, we do not know what the conditions will be in the postwar world. We do not know how cheaply foreign countries will be able to manufacture. We know they are to an extent destroyed; we know they are going to have a lower standard of living in the next 5 or 10 years, and we know they are going to have to work for anything that is paid to them. It is reasonable to suppose that in the postwar period their production costs in foreign countries are going to be lower, and that the threat to our industry is going to be greater than it was before the war. But we do not know all the facts. In the light of the circumstances, I cannot understand why on earth we should proceed to reduce the tariffs further, reduce them another 50 percent, to 25 percent of the Smoot-Hawley rates, at a time when world conditions are uncertain, and in view of the fact that even before the war we never had any actual experience with the 50-percent cut.

The argument made is, in essence, that the State Department has to have such authority as a bargaining power. That is the argument which was made, as I understand, yesterday by the senior Senator from Georgia; it is the argument which was made by most of the State Department officials. It seems to be the only argument made, when common sense would seem to dictate we should leave the rates where they are until we find out what conditions are going to be like in the postwar period.

The argument is that the State Department have no bargaining power. They have reduced tariff rates pretty close to the 50-percent limit. In the case of England, they have reduced about half the rates all the way, and made some other reductions. They have no bargaining power with England, it is said. The reason they have no bargaining power is perfectly obvious. It is because of the most-favored-nation principle that is contained in this program. It is the poorest bargaining weapon the United States Congress has ever provided for an executive department, because we enter into a bargain with A, and whatever we give to A in return for something A gives, we give for nothing to B, C, D, and E, and when we come to deal with B, C, D, or E, of course we have no bargaining power left. We have already given them all they want for nothing, without any return from them.

Mr. MILLIKIN. Mr. President——

The PRESIDING OFFICER (Mr. MYERS in the chair). Does the Senator from Ohio yield to the Senator from Colorado?

Mr. TAFT. I yield.

Mr. MILLIKIN. I should like to point out to the distinguished Senator that the bargaining-power argument is self-destructive. According to the proponents of the pending measure, we have already exhausted the bargaining powers which have been provided under existing law, and now they have to have another 25-percent bargaining power, which, in the course of time, will exhaust itself, and then there will be no alternative but free trade.

Mr. TAFT. Not only that, but it will be necessary to go a step further, because by the time we let in all imports free of duty, many other countries will still impose many duties, so we will have to subsidize imports from such countries in order to induce them to abandon the duties they still maintain.

Mr. MILLIKIN. So that this is a system whereby in the end we exhaust our bargaining power.

Mr. TAFT. Exactly.

Mr. MILLIKIN. It is not an argument for the system.

Mr. TAFT. Certainly not. It is the poorest argument that could be made. I cannot imagine that any nation in the world has ever had the bargaining power the United States Government has today. Every foreign nation is looking for American dollars, every foreign nation wants American assistance to aid in rehabilitation. We have all the bargaining power any nation could possibly desire.

Mr. MILLIKIN. Will the Senator from Ohio yield again?

Mr. TAFT. I yield.

Mr. MILLIKIN. If the additional 25 percent of bargaining power is advantageous and a good thing for the United States, then if we wiped the system out completely we would have a hundred percent bargaining power, which would be four times as good.

Mr. TAFT. Exactly; I agree with the Senator's figures.

Furthermore, we have not exhausted our bargaining power. All reciprocal trade agreements expire in 3 years. We can say to England, "Well, if you do not do so and so, we are going to raise these rates the next time we make a reciprocal trade agreement."

We have not destroyed our bargaining power simply because the President cannot reduce the rates on American imports any further than he has already reduced them. As a matter of fact, considerable reductions can still be made in a good many schedules, notably, the textile schedule.

We have other bargaining power; but what do we do with it? We had more bargaining power, probably, under lend-lease than we have today. We had bargaining power, and we should have been able to get from every nation in the world almost any concession we might ask for, but we insisted on giving away our property to them without any conditions. We considered that it was a privilege for us to be able under lend-lease to give them goods we produced, and we got nothing for that tremendous weapon of bargaining power. We threw it away.

What is proposed now by the Committee on Banking and Currency? It is proposed that we adopt the Bretton Woods agreement and put $6,000,000,000 into two funds to be loaned to the na-

tions of the world—free, gratis, for nothing—and we get nothing in return.

It is proposed that we give away that bargaining power, and then in order to get a much weaker power in the pending measure, we authorize the President to reduce our tariffs further and destroy industries and deprive workers of jobs. I think the bargaining power argument is the most fallacious and inadequate argument ever advanced for any bill pending on the floor of the Senate.

What is expected that we will get by the use of this bargaining power? I do not think we will get anything very substantial. Yesterday the distinguished chairman of the Committee on Finance read the statement of Mr. Churchill's, in which he said, "Britain will not give up its right to safeguard our balance of payments by whatever means are necessary."

Of course they will not, and they will not give it up because we reduce a few tariff rates. England proposes to safeguard her "balance of payments by whatever means are necessary," and England has not indicated in any way that she is going to give up imperial preferences for the slight gain she can derive from the pending measure. A further 25-percent reduction might mean two or three hundred million dollars a year of British exports to the United States which would not compare with the advantage she obtains from her imperial preferences. We know about the blocked sterling balances. We know England owes all her colonies, especially India, billions of dollars. We know that the only way by which she can possibly pay those debts is by shipping goods into those countries, and insisting that they take British goods and not American goods.

I cited here a few days ago the case of a pump manufacturer who has made pumps for years and sold them in India; he built up a market in India; but now he cannot get a license to import anything into India, because the British, necessarily, since they have to protect themselves, since they have to work out some way of paying their debts to India and to the other colonies, have set up a system of imperial preferences. If anyone thinks the bargaining power contained in the pending measure is going to persuade the English to give up imperial preferences, I believe he is very much mistaken.

Mr. President, this morning I read to the Committee on Banking and Currency the statement of Lord Keynes, to the effect that one thing the British were not going to do was to give up restrictions on exchange for an indefinite period of postwar reconversion until they straightened out all their affairs, because the British know they have to restrict imports into Great Britain, if they wish to survive.

They know very well also that they cannot operate successfully as a nation unless they impose restrictions, and I say the idea that we are going to get rid of those restrictions by some bargaining power granted by this bill is a complete illusion.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. Let me remind the Senator from Ohio that in the Atlantic Charter Great Britain made a reservation covering the very subject matter which the Senator is now discussing.

Mr. TAFT. Yes; and every indication is, as Lord Keynes states, that Great Britain is going to protect the British and maintain tariffs as they please.

The case of the bicycle industry is typical. It was brought before our committee. In the United States about 2,000,000 bicycles are manufactured, and about 6,000,000 are made in England, of a slightly different type. The British bicycle industry was starting just before the war, and is now continuing, to make an American-sized model. They can export them to the United States, and we have reduced the tariff on bicycles, so that England, with her great productive power, can wipe out the American bicycle industry. There can be no question about that. The figures are available. It can probably be done under the 50-percent rate, and certainly it can be done under the 25-percent rate. What did we get from England? England maintained, as I recall, a 30-percent ad valorem duty on the imported bicycles. So we cannot make the lighter type of bicycles and ship them to England and compete with England. I do not think the present administration has shown in its use of bargaining power any evidence that it is going to use such power with any success whatsoever.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Does the Senator from Ohio claim that up to this time the American bicycle industry has been injured in any way by entering into the trade agreement?

Mr. TAFT. No. We entered into an agreement in 1939. The British did not make our kind of bicycles. They began to tool up for that purpose, but then the war came, and there was no further development of the British bicycle industry. They were not in a position to injure the American bicycle industry until they had begun to make the heavier type of American bicycle after we entered into the trade agreement with Great Britain.

Mr. LUCAS. The only point I wish to make is that the bicycle industry of America has not suffered one iota under the trade agreement with the British Government.

Mr. TAFT. That is perfectly obvious.

Mr. LUCAS. And that is true with respect to every industry in America whose representatives appeared and testified before the Finance Committee. The only thing they fear is what may happen in the future. In other words, it is apparent from what I saw of the witnesses that they have no faith in the present administration carrying out the trade agreements without adversely affecting the particular industries in which they are interested.

Mr. TAFT. No; the position of the industries whose representatives appeared before us was that a tariff rate of 50 percent of the present reduced rate would, if foreign competitors entered our market, put them out of business, because the foreign cost would be so much less. It is quite true, as I pointed out, that there has been almost no reduction; that the reduction before the war was only to about 39 percent ad valorem. Very little reduction took place before 1938, and since then the war has nullified the effect. But there were some outstanding cases. In the case of the zinc industry, over the protest of the Bureau of Mines, the State Department in 1937, as I recall, reduced the tariff on zinc, with the result that the price of zinc fell from $7 to $2 a ton, if I remember correctly. A number of mines closed. Finally the workmen said they would work for a lower wage, but just at that time the war began and the zinc mines resumed operations. They were injured directly by the reciprocal trade agreements.

In the lace industry the imports generally increased and the price steadily decreased. The trade agreement with respect to lace was entered in somewhat earlier—in 1935 if I remember correctly. The imports of lace increased until they represented about 60 percent of domestic consumption instead of 21 percent, and the industry very largely closed down.

I remember in the twenties and the thirties, when the glass and chinaware industry of Ohio was almost completely closed down. That was before the reciprocal trade agreements, because Japanese imports came in over the Smoot-Hawley tariff law. The tariff rate was not sufficiently high to protect the Ohio industry against Japanese competition, and the plants were shut down and men thrown out of work. That is why I am receiving telegram after telegram from the laboring men in the glass and chinaware industries in Ohio begging me not to permit a further reduction in the tariff on glass and chinaware.

The testimony by representatives of the watch industry is that under the trade agreement while the watch industry was engaged in war work of different kinds, the imports of Swiss watches during the war increased from 1,000,000 to 6,000,000. That was a tremendous increase in the importation of watches, a taking over of the American market, and making it very difficult for the American watch manufacturers to recover the market.

The history of the Underwood Act of 1913 is very clear so far as textiles are concerned. American textile mills were very rapidly closing down. Many had closed down in 1913, when the First World War finally came to their relief; but, just so soon as the war was over there was a flood of imports into the United States, and Congress passed, first, the Emergency Tariff Act, and then the Fordney-McCumber Act in order to protect American industry against the great flood of imports which came from an impoverished Europe, where people had to work for very much less wages per hour than the workers in the United States received.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator speaks of watches. Of course, we all know that the American watch industry has never been able to supply the American demand for watches. All the important

watchmakers, including Waltham, Elgin, Hamilton, Howard, and others, whose watches are recognized as being a superior article, have never been able to supply the demand of the American people for watches, and there has, of course, been an importation of watches to supply that demand, largely from Switzerland. The trade agreement on watches became effective February 15, 1936. In 1933 the domestic production of watches and clocks was a little more than $29,000,000, and we imported about 6.7 percent of that amount from abroad.

In 1935, which is the year before the trade agreement was entered into, our domestic production had gone up to $62,500,000 in value, and the imports were 8.8 percent of the domestic production.

In 1937, the year after the treaty went into effect, our domestic production had climbed to $104,446,000, and the importations in that year were 10.3 percent of the domestic production.

In 1939 the domestic production of watches was $89,500,000—a falling off from 1937, probably due in part to the war condition. The war began in Europe in September 1939, but, anyway, domestic production was $89,000,000 plus, and the percentage of importations compared to domestic production was 11.3.

Mr. TAFT. Possibly the decrease was because of the increased importations. That seems to be the obvious reason.

Mr. BARKLEY. No; the importations increased only 11 percent of $89,000,000, which would not be as much as 10 percent of $104,000,000.

Mr. TAFT. And since then the importations have quadrupled, or are six times what they were.

Mr. BARKLEY. That is true because none of our watchmakers are now making watches. Our watchmakers are now making precision instruments for the Navy and the War Department, and all the watches our people are now buying are imported. They have to be because we are not producing any.

Mr. TAFT. As I understood the representatives of the watch industry and the figures they presented it was very clear that in comparing the wages of labor in this country and in Switzerland, even at the present 50-percent rate they could not, because of costs, compete with the Swiss watch, and if the rate were cut in half there is no possibility of American competition, except for watches of a peculiar and special type.

Mr. BARKLEY. American watchmakers have always competed, and the amount of importations, beginning in 1933 and running up to 1939—I think we can even go back of 1933, and prior to the Tariff Act of 1930, which rearranged the classification of watches and watch movements—had not been larger than that which was necessary to supply the deficiency of our own domestic production, because we have never produced a sufficient number of watches to supply our own demand.

Mr. TAFT. One of the reasons for that is that the Swiss have refused to export machinery, and have refused to let their workmen leave and it has been a slow process to build up the watch industry, but it has been built up, and, certainly, today it is perfectly possible to build it up further, expand it, and take care of the domestic demand, if we wish to do so. I do not advocate that. It seems to me the only question is one of degree—whether the tariff rate is to be reduced to such a point as to wipe out the American industry. That is the question actually involved.

Mr. President, there are a good many other industries shown by the evidence to be directly affected. The question of textiles is perhaps one of the most important, and the figures are very clear, indeed, that if the tariff on textiles is cut in half, the English production, particularly with the new automatic machinery which we are supplying to them, under lend-lease I may say, is going to permit them to export to this country textiles to take the place of practically all which are now made here.

The effect of wages is very clear in the textile industry. The textile industry was formerly located in New England. New England lost 75 percent of the textile industry to the South. Why? Because wages were lower. That was the only reason. It was not because southerners were more efficient, or because there was better management in the South. It was simply because wages in the South were lower. If 75 percent of the New England textile industry went to the South because wages were lower, thus destroying the industry in New England, obviously if the English wages, which are only half what they are in the South, operate as a factor, we are going to lose the textile industry in the United States, and it will move to England.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. TAFT. I yield.

Mr. BARKLEY. We have a trade agreement with Switzerland and France with respect to cotton manufactures. Those two countries compete with us in the European region in the manufacture of textiles. The treaty with Switzerland became effective on February 15, 1936, and that with France became effective on June 15, 1936. The following year, 1937, we produced in the United States $1,228,000,000 worth of cotton textiles, and we imported 2.3 percent of that amount from those countries. Two years later, in 1939, we produced $1,012,000,000 worth of cotton textiles, and imported only 1.8 percent of our domestic production. So the trade agreement with Switzerland and France certainly did not injure the cotton textile industry in the United States.

Mr. TAFT. However, let me say that the cut made was a very slight one. It was a cut from 43 percent ad valorem to 35 percent ad valorem. It was not anything like the 50 percent authorized by the act. As a matter of fact, the policy of the administration did not succeed in increasing imports into the United States to any considerable extent, because the cuts which were made before 1939, before the British treaty, were not cuts of any particular importance.

Mr. BARKLEY. Taking all the nations with which we have these trade agreements, the amount of our exports increased 62 percent, and the amount of imports from those same nations increased 21 percent.

Mr. TAFT. The whole 62 percent was about $100,000,000, if I correctly remember—practically negligible in the national income. The subject was approached very gingerly. But when we came to the British treaty, we really began to make reductions. The result is shown in the fact that the average rate on dutiable products is only 31 percent, whereas it was 39 percent when the war began.

There is a long list of products, including textiles, bicycles, watches, roller bearings, and small metal parts of all kinds.

The chemical industry is a good example of an industry which we built up by tariff protection. It cannot compete with foreign chemical industry. It never was able to compete wtih the German chemical industry. It was greatly handicapped by its inability to proceed as rapidly as the German industry, particularly in the First World War, when it had no tariff protection.

Other products in the same situation are rayon and plastics. Then we come to the group of ores—iron ore, copper ore, lead ore, and zinc ore, which cannot successfully compete with South American ores.

Then we come to the field of agricultural products. The sheep raisers say, "If you want to reduce the tariff on wool, you can put the sheep industry out of business. We can quit." It is perfectly obvious—and the figures which they present are entirely convincing—that they cannot possibly compete with Australian wool. They say, "Perhaps it is all right to put us out of business." Perhaps it is. However, at this stage in the world's economy, when we do not know what the other countries are going to do, and when we do not wish to create unemployment in the United States, I do not believe this is the time to say deliberately, "Here is an industry which we will simply wipe off the books and eliminate from our economy."

We have the same difficulty with cattle, sugar, flax, linseed oil, and corn. There was a time when the Argentine corn came into the United States and clearly reduced the price of corn. In 1944 approximately 8,000,000 bushels of corn were imported from the Argentine into New Orleans and used for the manufacture of molasses. It was cheaper than American corn, and it will always be cheaper than American corn.

Soya beans and all the edible oils are subject to a decrease in production by reason of imports. We have imposed a 3-cent tax on coconut oil, inedible oil, to protect American producers of cottonseed oil and other oils. That can be reduced under this treaty. It was reduced once, and the Senate insisted on restoring it, if I correctly remember, because it felt that that was an interference with this particular industry.

Anyone who listens to the evidence with an open mind will come to the conclusion that if these rates are reduced the result will be to put out of business a considerable number of American industries. I do not know how many. I do

not pretend to say how large a percentage of the total would be involved, but perhaps a third of the industries of the country would be affected, some more seriously and some less seriously.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MILLIKIN. Among the items which the Senator has just mentioned, he has named products which go to the heart of the economy of perhaps a dozen of our western States. When it comes to livestock, hides, wool, minerals, dairy products, and sugar, those are the products on which we live. We are not talking abstractions. All those products can be produced in other countries more cheaply than we can produce them here. When we let them come in, we shall put a dozen States out of business.

Mr. TAFT. I agree with the Senator from Colorado.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator from Ohio has mentioned wool, and the Senator from Colorado has also mentioned wool. Wool has been one the great outstanding "sore thumbs" in the whole tariff structure. It has had its political repercussions. As the Senator from Ohio will recall, schedule 13 in the Payne-Aldrich tariff bill of 1909 affected his great and distinguished father very materially. In the Smoot-Hawley Act the tariff on wool was increased. After that tariff went into effect, domestic wool in the United States brought a price lower than the tariff. We have never produced sufficient wool to supply our own demands. It is in the same catergory as watches. We have never produced as much wool in this country as we use. In an effort to help the wool growers, in 1930 the tariff on wool was considerably increased, and following the enactment of that law, wool brought less to the wool growers of the United States than the tariff on it, which showed that the tariff on wool was a mere fetish. It did not affect the result, because wool certainly ought to bring as much as the tariff on it, if it brought no more.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. In connection with what the Senator from Kentucky has said, as I understand, the world price of wool today, plus our tariff which has not been reduced under trade agreements, amounts to less than the support price which we guarantee for domestic wool. For that reason, wool buyers find it cheaper to pay the world price for wool plus the full amount of the tariff than to buy domestic wool. I admit that there is a serious situation with respect to wool which will have to be straightened out.

Mr. TAFT. Am I to understand that the Senator from Vermont favors the elimination of the wool industry?

Mr. AIKEN. The wool industry has been going down for years.

Mr. TAFT. I am only asking whether the Senator thinks it should be eliminated. I do not know. All I am saying is that it would be eliminated if the tariff were cut in half.

Mr. AIKEN. Oh, no, Mr. President; I am not in favor of eliminating it. But the fact is that under the trade agreements in the last 10 years there has been no important reduction in the duty on wool. The wool industry is receiving the full protection of the tariff. But we must support the price for wool, because the tariff plus the world price is still less than the support price.

Mr. TAFT. Mr. President, the argument advanced by the Senator from Vermont is similar to that advanced by Mr. O'Neal. I asked him, "If the tariff on butter is reduced from 14 to 7 cents, what will happen to the butter industry?"

He said, "I can only answer that question in one way: It will not be reduced to 7 cents."

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield in order to permit me to make a possible correction?

Mr. TAFT. I yield.

Mr. BARKLEY. A moment ago when I referred to the Payne-Aldrich tariff bill, I intended to say it was passed in 1909. One of my colleagues suggests I may have said 1939. Of course, I meant to say 1909. Two or three tariff bills were passed subsequent to 1909.

Mr. TAFT. Yes, Mr. President, I am sure the Senator from Kentucky knows the difference, because he was here in 1939.

Mr. President, we are asked to give to the President of the United States the power to destroy one or many American industries, on the promise that the power will not be used to do that. Then, how will the President increase imports? The purpose of giving the power to the President is to increase imports into the United States of dutiable products, and all dutiable products compete with American-made products. So, if the President of the United States is not going to use the power, how will be obtain increased imports? If the President will not use the power and will not in that way increase imports, I say there is no use in passing the bill. This bargaining weapon, this club, will be of no use if it is not used. If we are not willing to have it used or if the President does not use it, it will be of no use as a bargaining power.

So we must assume that the President will use it to the full extent to which he will be able to use it, if imports into the United States are going to be increased. In the case of wool, if the President reduces the tariff he will increase the imports of wool into the United States and that will absorb the whole wool market. If the President decreases the tariff on butter, the result will be that vast amounts of Danish and other foreign butter will be imported, and that will force down the price of butter 7 cents a pound.

Mr. LUCAS and Mr. BUSHFIELD addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Ohio yield; and if so, to whom?

Mr. TAFT. I yield first to the Senator from Illinois.

Mr. LUCAS. Mr. President, the Senator from Ohio is using the same argument that so many of the witnesses have used. What they fear is fear itself, so far as this matter is concerned.

The truth is that up to now the President of the United States under the Reciprocal Trade Agreements Act has had wide latitude in bargaining power, which the Senator from Ohio has consistently fought. Yet, the butter industry, which the Senator from Ohio is telling America will be destroyed if the tariff on it is reduced 50 percent, has not been touched up to now. The only branch of the dairy industry which has been touched is the Cheddar cheese branch, and during the year when imports came in, they amounted to only 1.2 percent of the total production in this country; yet, during that same year, the Cheddar cheese industry sold to the domestic consumers more cheese than ever before in its history.

Mr. TAFT. Mr. President, I understand from the Senator from Maine that if all the power granted were used, the results would be to increase the dutiable products imported into the United States by less than $1,000,000,000. If very little of it were used, the result would be to increase imports into the United States by only several hundred million dollars.

Mr. LUCAS. Mr. President, will the Senator from Ohio yield again to me?

Mr. TAFT. I yield.

Mr. LUCAS. If that is all there is to it, then how can the Senator contend that many industries will be completely put out of business? If the figures of the Senator from Maine are correct, and if it will increase imports only several hundred million dollars, how can the Senator from Ohio tell the country that the industries to which he has referred will be put out of business?

Mr. TAFT. Perhaps the Senator misunderstood me. I said it would be less than $1,000,000,000—in short, approximately $900,000,000. I say that if there is an increase in the amount of $900,000,000 of the imports of selected products on which there is now a duty, the result will be to put out of business a very large number of American industries.

I think the total wool production of the United States is not very large; I would suppose it is between $50,000,000 and $100,000,000 a year. I am merely guessing about that.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. AIKEN. The latest figures which I have show that for 1940 the wool production was 449,800,000 pounds, and our imports were 223,000,000 pounds during that year. So in 1940 we used more than the total amount of our production plus the imports of 223,000,000 pounds.

Mr. TAFT. Then I am correct; by $100,000,000 of the $900,000,000 approximately the whole wool industry can be put out of business.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. O'MAHONEY. I understand that the Senator has been talking about the question of power.

Mr. TAFT. Yes.

Mr. O'MAHONEY. Of course, it is not to be claimed at all that if the full authority were exercised, all our industries would be destroyed; but particular industries might be destroyed. We are dealing here with the fundamental question of power. It occurs to me, if the Senator will permit me to proceed for a moment, that perhaps I should refer to a speech which I was reading. At the moment when the Senator from Ohio was interrupted, I happened to be reading from a speech which was made on the floor of the Senate in August 1932 by a distinguished Democratic Senator, one of the outstanding constitutional lawyers of our time, Senator Thomas A. Walsh of Montana. I think his words might be of particular interest to the Democratic Senators who now are present.

Senator Walsh of Montana said, on August 10, 1922—and I am reading from page 11180 of volume 62, part 2, of the CONGRESSIONAL RECORD:

> Whatever doubt may be entertained by anyone concerning the constitutionality of the amendments under consideration, no doubt ought to exist in the mind of anyone, in my judgment, as to their unwisdom. Their stoutest defenders will probably disclaim any attachment whatever to the principle they represent as a feature of a permanent tariff policy; indeed, they hasten to convey the assurance that, were it not for the chaotic business conditions which prevail throughout the world and the instability of foreign exchange, they could not be induced to embrace it or even to tolerate it. Some apology, Mr. President, is certainly in order for such an astounding delegation of the functions of Congress to the Executive, vesting him with an authority no constitutional monarch may exercise, in character quite like that for the assumption of which kings have been brought to the block.
>
> No emergency, however grave, can justify the surrender into the hands of the President of the taxing power entrusted by the people to their representatives in Congress, no matter how profound may be his statesmanship or how exalted may be the character of the man who for a brief period may be elevated to that high office. If this encroachment upon the liberties of the people is either sanctioned or condoned, there is no man wise enough nor prescient enough to foresee the ultimate consequences.

There, Mr. President, in a few paragraphs a distinguished Democratic Senator, Senator Thomas J. Walsh, predicted precisely what is happening here today.

I remember very well, when first I appeared before the Finance Committee of the Senate, years ago, to protest against this conveyance away from Congress of its power, making the statement that if a grant of power to change the rates 50 percent were found not to be sufficient to accomplish the purposes which the Executive might have had in mind, then we might confidently look forward to the time when request would be made to increase the area within which the change could be made. Sure enough, when the Reciprocal Trade Agreement Extension Act was sent to Congress this time, it contained a provision extending the area within which the reductions could be made, so that the formula would be 50 percent of whatever rate might be in existence. So if a trade agreement with Great Britain 3 or 4 or 5 years ago reduced the tariffs 50 percent, they could be reduced another 50 percent. Logic clearly points out that when we start surrendering power, there is no end to it. It may proceed step by step, and gradually the whole basis of congressional functioning is swept away by the granting of power to the Executive.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield to me in order that I may propound a question to the Senator from Wyoming?

Mr. TAFT. I yield.

Mr. BARKLEY. In the speech of Senator Walsh, from which the Senator from Wyoming has quoted, the Senator was evidently talking about the amendment which had been offered to the Tariff Act of 1922.

Mr. O'MAHONEY. Yes.

Mr. BARKLEY. Will the Senator advise us what was the amendment which was being discussed?

Mr. O'MAHONEY. I have not gone that far back into the RECORD. I was only reading from Senator Walsh's speech.

Mr. BARKLEY. The speech is supposed to be pertinent to an amendment which was offered.

Mr. O'MAHONEY. Yes; but I merely called for the RECORD from the Library. The speech had to do with the delegation of power which was contained in the Fordney-McCumber bill. I have not read entirely the exact text.

Mr. BARKLEY. The amendment evidently was one which had been offered by the administration then in power, which sought to do something along the line of that which has been followed since, and the Senator from Montana opposed it. If I assume correctly, the argument was against the wisdom of the amendment and not against the power to be granted.

Mr. O'MAHONEY. I will read that part of Senator Walsh's speech also. He made an unanswerable argument against the delegation of power.

Mr. LUCAS. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. LUCAS. The Senator from Wyoming has stated that Senator Walsh made an unanswerable argument against the delegation of power.

Mr. O'MAHONEY. Yes.

Mr. LUCAS. Is the Senator referring to an address which was made by the distinguished former Senator from Montana, Mr. Walsh, on the subject of the tariff?

Mr. O'MAHONEY. Yes. I think the discussion pertained to the Fordney-McCumber bill.

Mr. LUCAS. As the Senator knows, Chief Justice Taft later upheld the constitutionality of the flexible tariff provisions in the Hampton case.

Mr. O'MAHONEY. Oh, yes; that is correct. The decision in the Hampton case was rendered on the specific point that in the law which was under construction at that time the standards were clearly established, that there was a specific rate to be fixed. I do not think it was the Fordney-McCumber law which was construed in the Hampton decision.

Mr. LUCAS. As I recall, Chief Justice Taft's opinion answered Senator WALSH'S argument.

Mr. TAFT. Mr. President, I should like to correct the RECORD in two respects regarding wool. In the first place, it is not true that the tariff on wool was not reduced. It was reduced by the agreements with Argentina and Uruguay in 1941 and 1943 to substantially 60 percent of the former tariff. The reduction was made and the administration saw fit to use its power to reduce agricultural products. In the second place, the entire annual production of wool in the United States is approximately $140,000,000. If we consider the entire picture, the production of wool is one of the industries which would suffer severely, and face entire elimination.

Mr. AIKEN. The Senator stated the tariff on wool was reduced in 1941 and 1943. Did that reduction apply to any particular amount?

Mr. TAFT. The tariff was reduced substantially as to different grades.

Mr. AIKEN. Does the Senator know whether there was any limitation incorporated in the agreements?

Mr. TAFT. I do not know. Nothing with respect to that point is noted in the book.

Mr. President, I wish to say a few words about the importance of foreign trade, because I think that foreign trade as a producer of prosperity is grossly exaggerated in its importance. Our exports in foreign trade since the First World War at no time amounted to more than approximately 7 percent of our national income. They reached as much as 7 percent in the period 1925 to 1929, when we had one of the highest tariffs we ever had. During the period from 1925 to 1929 our imports and exports were greater than they have ever been since.

Not only that, Mr. President, but of the $4,000,000,000 worth of annual imports, approximately two and one-half billion dollars worth came in on the free list. In other words, they were not affected by any tariff reduction. They are not to be affected by the pending bill. The importation of all articles which we wish to buy, and which we cannot make here in the United States, such as coffee, chocolate, and tropical products of all kinds amounts annually to approximately two and one-half billion dollars of the total $4,000,000,000. Only one and one-half billion dollars represent the value of goods which came in over the tariff wall.

From the Tariff Commission reports which the Senator from Maine will present when he speaks, the total possible addition to those imports is approximately $1,000,000,000. Over the highest tariff wall which we ever had we obtained one and one-half billion dollars worth of dutiable products. One billion more of imports may be involved. The portion of our total production which we are considering, therefore, in a country with $125,000,000,000 of national income today, is less than 1 percent of our total income. Whether it increases or decreases in the future, it will have a substantially small effect on the actual prosperity of the country.

As a matter of fact, Mr. President, the cart is being placed before the horse. The prosperity of this country creates imports and exports. It creates imports by which exports may be paid for. The evidence of that fact is perfectly plain as shown by the table to which I referred. The table shows the exports and imports of United States merchandise from 1924 to 1943. I ask unanimous consent that the table be printed at this point in the RECORD as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Foreign trade of the United States, 1924–43

[In millions of dollars]

Year	Exports of United States merchandise	General imports
1924	4,498	3,610
1925	4,819	4,227
1926	4,712	4,431
1927	4,759	4,185
1928	5,030	4,091
1929	5,157	4,399
1930	3,781	3,061
1931	2,378	2,091
1932	1,576	1,323
1933	1,647	1,449
1934	2,100	1,655
1935	2,243	2,047
1936	2,419	2,423
1937	3,299	3,084
1938	3,057	1,960
1939	3,123	2,318
1940	3,934	2,625
1941	5,020	3,345
1942	7,960	2,743
1943	12,592	3,361

Source: Statistical Abstracts of the United States, 1943, p. 509.

Mr. TAFT. In substance, the table shows that during the years 1924 to 1928 exports were approaching $5,000,000,000. Imports averaged approximately $4,000,000,000. In 1926 they reached $4,400,000,000. In 1929 the exports were $5,167,000,000 and the imports were $4,399,000,000. After that, and coincident with a general collapse in all the world trade and all domestic business, they decreased in 1932 to only a billion and a half dollars' worth of exports and $1,300,000,000 worth of imports. Then they gradually improved up to 1939, which may be said to be the last prewar year, when the exports reached a value of $3,123,000,000 and the imports reached a value of $2,318,000,000. As a matter of fact, trade treaties were not extensively used prior to the war. What will be the full effect of what has been done since 1938 and 1939 no one can tell until later. That is one reason why I think we should ascertain what the present 50-percent reduction will bring about before we grant more power.

Mr. President, what I have been saying shows that the way to increase imports is to increase prosperity in this country. If we can build up prosperity, we will have the necessary imports to pay for all the exports we can possibly furnish. Imports will probably be increased. An increase of duty-free imports is far more important than the import of dutiable imports. Incidentally, it does us no harm. If we double the importation of dutiable goods, it will threaten the very existence of a number of American industries and will threaten to throw people out of work. If the policy proves workable, the most we can hope for is an increase of approximately 1 percent in the national income of the United States. I assert that the entire picture of foreign trade and its possibility of expansion by reducing tariffs is grossly exaggerated, and that it is not something for which we should sacrifice any considerable part of the American economy.

The argument presented here is, very briefly, that we must import more goods. We must take down our tariff barriers and import more goods in order to export more goods. I venture to suggest that there is another bottleneck in connection with our power to export. I refer to the ability of other nations to buy our exports, and our ability to compete with other nations in our exports. We have built up in this country, whether rightly or wrongly, a higher price level and a higher wage level than there has been built in any other nation of the world. It is sometimes said that is due to greater efficiency. I suppose that in part at least the wage level is due to greater efficiency; but it is a little hard to say how any part of a price level on farm products can be due to greater efficiency. It may have an indirect result, but I think all the evidence shows that there is something else besides efficiency. Whether rightly or wrongly, we have deliberately protected our wage levels and our price levels. We have permitted the unions to push constantly for higher wages even though they might be uneconomic, if the industry involved had to compete with world industry. We have boosted farm prices, deliberately in some cases; and the result has been that we have created a wage and price level which is above that of the other nations of the world. I think it is not merely a question of a higher standard of living. We have a higher standard of living, which, to an extent, is the product of greater efficiency; so that we can stand the competition of the rest of the world; but entirely apart from that, we have gone on and built up a higher price level and wage level entirely apart from any question of efficiency.

It is a little difficult to make a comparison of prices. Taking sugar; sugar in Java, for instance, sells at 2 cents a pound, whereas it sells in the United States at 4¼ cents a pound. In July 1939 wheat was selling in the United States at 80 cents a bushel, while Canadian wheat was selling for 52 cents a bushel. If we take all the tariff off wheat there will obviously be a leveling of prices. It may be that our wheat is artificially priced, and I agree; it may be that if we could reduce our price level and our wage level by 20 percent, and put them more in line with world levels, we could have just as high a standard of living and be just as well off; but let anyone try to reduce the wage levels in the United States 20 percent. Let anyone try to reduce farm prices 20 percent overnight by Government fiat. It is something that cannot be done; it is not a matter that is feasible; it is a condition and not a theory. We have a higher price level and we have a higher wage level. It is very clear for instance that the workmen in the textile mills in this country are much more efficient than the English workmen, but it is not true that they are twice as efficient, although they get twice as much money as the English textile workers. I cannot understand how today, in view of the wages paid in other countries, we can hope to build up any great volume of export trade.

England is absolutely dependent on exporting 50 percent more goods than she exported before the war. England must do it. She is going to make the goods she produces at a cheaper price in competition with us, even if she has to reduce the English standard of living in order to do so. England cannot help it; she will have to do it.

Certainly, it is going to be easy for a couple of years, because industries in other countries have not started, but once they start we are not going to be able to compete with them in foreign trade, except in the case of a very limited number of products which we have some very special ability to produce. Is it true that we shall always be ahead in mass-production industries? What is to prevent Henry Ford from starting a factory in England and a factory in Russia and making automobiles in Russia for the Russians and in England for the English? Why should he not? Everybody knows now what machinery is necessary. We have the know-how; but the people of other countries can come here and acquire the know-how, construct their own factories, and build up their own mass-production enterprises. The original argument for free trade was that a particular country had a particular know-how, and that the people of no other country could acquire it in order to make a given article, that they had skilled workmen who could make it. That argument, however, is no longer tenable, because, with communications and knowledge and information what they are today, mass production can be transferred from one country to another. Let us not forget the policy deliberately indicated in the Colmer report, that we ought to export $3,000,000,000 of capital every year for the next 10 years. That is a part of the same theory of expanding foreign trade. So far as I can see, there is nothing to prevent the building up in many other nations the same mass-production industries which we think are our exclusive property and in which we think we are going to be particularly efficient. Is the Japanese workman any less efficient than the American? Is the European unable to learn to operate a machine?

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I merely want to venture a suggestion that there is a very good reason why Henry Ford will not establish a factory in Russia. I think the reason is obvious, is it not?

Mr. TAFT. The Russians can build a factory and then ask Henry Ford to operate it or ask him to send his experts. That has happened over and over again. We have built under lease-lend a half a

dozen oil-refining plants in various places, and now we are being asked to send over experts to teach them how to operate the oil plants, and we are going to send them under lend-lease. That is the understanding.

Mr. FULBRIGHT. Henry Ford would not operate because Russia would not permit a private enterprise, would it?

Mr. TAFT. Russia gives concessions; she is not entirely wedded to socialism. Russia insists on state ownership, but would be perfectly willing to have American engineers operate a plant.

Mr. FULBRIGHT. There is another question I should like to ask concerning a matter about which I am not clear. The Senator from Ohio says that foreign trade is not so important. Does the Senator think it is fair to measure its importance solely in dollars and the amount of commodities exported? What I have in mind is the case of cotton. We will say that, roughly, 50 percent is exported, and in the past it has made all the difference in the world whether operations could be continued in the South. Is it not true that if cotton producers are prosperous, their prosperity generates an enormous amount of internal trade which really can be traced to the external trade?

Mr. TAFT. I think the Senator misunderstood me. I may have said what he has indicated, but I did not mean to say foreign trade is not important. What I intended to say was that the tariff bill we have been debating does not mean an important increase in foreign trade, because two-thirds of our foreign trade consists of duty-free products, and that trade will increase, anyway. With an income of $125,000,000,000 a year, we are bound to import somewhere between three and five billion dollars of nondutiable imports. Payment for those imports provides the dollars to foreign countries to enable them to buy our cotton. In other words, regardless of the tariff, regardless of whether we abolish it, regardless of whether we raise it, plenty of necessary imports will continue to come in and create the necessary dollars to enable foreign countries to pay for the things we have to export. The trouble is that when we increase the number of dollars in foreign pockets, we find that they all go to buy manufactured products in the United States and not go to buy cotton, unless we subsidize cotton.

Mr. FULBRIGHT. If it is not so important, I do not see why the Senator should be so vigorous in his opposition, if we happen to think it is important. Why does the Senator care, if it is not important?

Mr. TAFT. I think it is important whether we destroy a number of American industries. The total number of products which would be affected perhaps would not be overwhelmingly great, probably not over a third, and the other two-thirds at the present time are rather safe. I question whether they will be in the future, but they are today. But that is not so large a volume. Increased trade will not have much effect on prosperity, but a good many thousand people would be deprived of work, and I do not think we ought to deprive them of work at the present time, as would happen if a certain number of industries were abolished.

Mr. FULBRIGHT. Can the Senator point to any industry of importance that has been put out of business or seriously damaged during the past 10 years of the operation of the trade-agreements program?

Mr. TAFT. I think I have answered that before. I gave a list of some six which had been seriously injured. I pointed out that there was very little reduction, that as a matter of fact the big reduction in treaties was made from the first of January 1939, in the British treaty, and in treaties since that date, which have not been tried; that in 1938, the last year before the treaty with Great Britain was made, the duties on dutiable imports were still 39 percent higher than the Fordney-McCumber tariff rates, and that they are now only 31 percent, according to the rates which have been put into effect. We never had a trial under those circumstances.

I think the Smoot-Hawley tariff rates were too high. I think they could stand a very reasonable reduction. I think the people who represented that they could not operate without those rates exaggerated, probably. But there was the principle, and I do not think it would be possible to protect those industries and prevent their destruction if the rates were reduced to 25 percent of the Smoot-Hawley tariffs.

Mr. FULBRIGHT. One further question. In reference to cotton, which, as the Senator knows, is the principal crop in my State, and throughout the South, if we were not able to export cotton, it is very likely, as I think all agricultural experts agree, that our States would go into the production of beef and dairy products. The opposition of the Senators from the Western States, where much of our beef has traditionally been produced, might be considered in that light, that the competition which would be generated as the result of cutting off our export markets for cotton would hurt them quite as much as importing a little beef from Canada or Argentina.

Mr. TAFT. The Senator means that if they went into the cattle business they would give up the production of cotton and there would not be the export of 50 percent of the product raised in those States, as at present?

Mr. FULBRIGHT. It is very likely, and my own opinion is that it is most likely that we would produce beef and dairy products, which we can produce, I think, effectively in competition with many of the Western States. As the Senator knows, the cotton industry is more or less traditional, and its roots go back many years.

Mr. TAFT. I venture to think that if the Senator's State built up a cattle industry, it would not be very serious competition, that the consumption of beef would increase, and that there would not be any great effect, because of the increase in prosperity brought about by that.

Mr. FULBRIGHT. If that be true, I do not see why imports of beef from other countries could not be absorbed in the same way.

Mr. TAFT. Largely because of the fact that they come in at a lower price. The difficulty we have gotten ourselves into is that with us cotton is selling at 22 cents, while it is selling in Brazil at 16 cents. How can we hope to export cotton unless we subsidize it? We have gotten into such a condition that our price level is higher than the price levels of the rest of the world, and if we let beef in without any tariff—I do not think the tariff keeps it out, but it is kept out by the foot and mouth disease regulation—if we let it in, it simply means we will lower the price of our beef to the point where our beef producers will not be able to produce any beef, and they will have to go out of business.

Mr. BREWSTER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BREWSTER. I think the Senator from Arkansas did not speak quite loudly enough for the senior Senator from Wyoming [Mr. O'MAHONEY] to hear him, and it was to that Senator, I assume, he was addressing his remarks. The Senator from Wyoming was a little preoccupied at the time.

Mr. FULBRIGHT. No; the Senator from Wyoming bases his argument purely on the constitutional ground; I understand he has no interest whatever in beef.

Mr. BREWSTER. I think he was the only one who came under the definition of western Senator opposing this measure who was immediately available. However, I think the Senator from Arkansas should bear in mind that it is the accepted and announced policy of this administration, and of Mr. Clayton, who is administering our foreign economic affairs, that the export of cotton is to be ended. He made that entirely clear before the committee which discussed his nomination, and he announced that, so far as he was concerned, and so far as he had anything to do with the matter, cotton would not be an export commodity hereafter, because the American people would not continue to pay the subsidy. As the Senator from Ohio pointed out, that is essential in order for them to engage in world commerce.

Mr. FULBRIGHT. Will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. To so engage on the present prices, but I think the leading cotton people believe that, through mechanization, they are going to be able materially to reduce the cost of the production of cotton. It is the general view in my State that they expect to be able to do that.

Mr. BREWSTER. Would not the Senator accept the views of Mr. Clayton as one who is at least somewhat familiar with the cotton industry, in view of his considerable activity in it not only here but in Brazil, so that he presumably knows something about the cost of production?

Mr. FULBRIGHT. Does the Senator mean that Mr. Clayton made the statement considering increased efficiency of production, that would happen under present conditions?

Mr. BREWSTER. He said it would be impossible for the United States, under

any development he could contemplate, and his knowledge of it, to be permanent participants in the world cotton market, and he anticipated also that the smaller cotton growers of the old South in any event would be eliminated.

Mr. GEORGE. Mr. President, may I ask when Mr. Clayton made any such statement?

Mr. BREWSTER. Before the committee which was hearing the question of his nomination, the Committee on Foreign Relations, when he was interrogated very carefully by the Senator from Alabama [Mr. BANKHEAD] on this very statement of policy, with which the Senator from Alabama sharply disagreed.

Mr. GEORGE. I am sure he never made any such statement before the Committee on Finance.

Mr. BREWSTER. This was before the Committee on Foreign Relations.

Mr. GEORGE. I am sure he holds exactly the contrary view.

Mr. BREWSTER. The statement was made, as I have said, before the Committee on Foreign Relations.

Mr. GEORGE. I think the Senator misunderstood Mr. Clayton, and I know he would not want to misrepresent him.

Mr. BREWSTER. Certainly, I would not, and I shall check the record, and correct it if I am in error.

Mr. YOUNG. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. YOUNG. Under our agricultural program, over a period of years the farmer was limited in the amount of wheat he could plant, and that was also true in the case of sugar beets, until last year. Any importation whatever of any agricultural product may put the American farmer out of business, or some farm worker out of a job, or deprive some returning soldier of a chance to go into the farming business and make some money I cannot for the life of me see how the tariffs on some agricultural products can be reduced without putting somebody out of business.

During 1944, in the State of North Dakota, we produced more than 360,000,000 bushels of grain and potatoes, 2,000,000 head of cattle, and a million hogs, and if we had lower tariff rates, and the producers of those commodities were out of business, we would not have them to count on now during this food crisis.

Mr. TUNNELL. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. TUNNELL. I merely wanted to say, with reference to the interrogation of Mr. Clayton, that Mr. Clayton was very positive in his statement that the American people would have to reduce the cost of production so as to compete with the rest of the world. I was on the committee and heard his testimony; I think all his testimony, but that was his position; that we could not permanently continue to subsidize and compete with the world.

Mr. TAFT. Mr. President, I hope very much that the cost of production of cotton in the United States can be reduced, but I venture to point out that in the other cotton-producing areas of the world people have just begun to grow cotton, and have the most modern methods, and just as fast as we invent a new cotton picker they will have the new cotton picker, and their labor will still be paid one-half to one-tenth what labor is paid in the South of the United States, under the wage-and-hour law and other laws.

Mr. AIKEN. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield to the Senator from Vermont.

Mr. AIKEN. How will refusal to extend the Trade Agreements Act prevent Brazilian cotton from taking away our market in Europe?

Mr. TAFT. It will not. At the moment the only solution of the cotton problem is to subsidize the export of cotton on the ground that it is a social problem which has to be taken care of. I do not know of any other immediate solution.

I merely wish to point out, however, that if we should put up the tariff wall 100 percent on the one-third of imports which are dutiable, the other two-thirds would provide enough in the way of imports, with reasonable prosperity in this country, perhaps three or four billion dollars worth, to provide dollars to buy all our cotton exports.

The trouble is that the cotton exporters are competing with the automobile exporters and every other business concern in the United States that is making a product which perhaps may be exported.

A plan has been proposed by the Senator from Mississippi [Mr. EASTLAND] to require that when imports came in, the dollars received therefor shall be used only to export agricultural products. It may be that something of that sort can be worked out, though it is a pretty difficult thing to do.

The price level of farm products and of other products in this country is considerably higher than the world level. In January 1939 the price of wheat was 81 cents in this country and 52 cents in Canada; the price of oats was 31 cents here and 25 cents in Canada; the price of barley was 51 cents here and 35 cents in Canada; the price of apparel wool was 64 cents here and 41 cents in Canada; the price of cotton yarns here was 21.21 cents, one type, another type 26 cents in New York and 19 cents in Manchester, another one 31 cents in the United States and 20 cents in England. On another product the price was 31 cents in the United States and 20 cents in England. On still another it was 45 cents in the United States and 35 cents in England. On wool tops it was 90 cents here and 49 cents in England. On worsted yarn it was $1.30 here and 70 cents in England. On sodium sulphate it was $21 a ton here, $15 a ton in Canada, and $16 a ton in the United Kingdom.

The point I make is that we have established a higher price level, and if we remove entirely or cut the tariff on all farm products in half, we will force down the price level here. There is no question about that. That cut is either going to come out of the taxpayer's pocket or out of the pockets of the farmer, one or the other. I do not know which.

It is said that the trade-treaty system is necessary for private enterprise in the world. That is what Mr. Lippmann said. I do not see any potency in such a contention. Whether England has restrictions or does not have restrictions, there will still be private traders in England. That is the system the English believe in. But if we create a condition whereby we knock down the price level of all agricultural products, then without any question we are going to have the Government step into the agricultural field again, and we will have regimentation of agricultural production, and large subsidies will be paid out of the pockets of the taxpayers, which is a more direct attack on the private enterprise system, I think, than anything else that can be done.

Incidentally, why are all the Communists and left-wing adherents in favor of this proposal? Because they want to force people into the mass-employment industries. That is where the CIO, with its PAC, is strong. They want to get rid of the craft unions and build up their industries and make this a country of mass-production industries. That is the reason they are for this plan. They are for it because they know that if it results in creating a great deal of employment in the other fields, it is going to make for trouble in this country and make for demands that the Government step in and spend large amounts of money and build up and regiment our economy. That is why all the left-wingers are for the proposal. That is why the Communists are issuing pamphlets in favor of it. That is why the PAC every moment of the day is sending telegrams favoring it.

Do Senators think that kind of economy is what we should have in the United States? Is it not a good deal better to have thousands of small industries? Is it not better to have an economic set-up which contains all types of industry, in which all types are represented, and in which every craft in this country may be developed? Perhaps we cannot take care of everything, but when war comes, then under such a plan we can build up a strong industry. I do not think it is desirable for this country to turn entirely to the mass-production industries.

Mr. President, it is not a question of efficiency that is involved. Our textile workers are as efficient as any in the world. Our workers are just as efficient as the British workers. But the reason is that the standard of living is lower in other countries than in this country. Their cost of cotton is lower; their cost of wool is lower. If we were to take off all tariffs, it would mean that other countries with less efficient industry could step in, perhaps, and eliminate more efficient industries in the United States of America.

Mr. ROBERTSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FULBRIGHT in the chair). Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. TAFT. I yield.

Mr. ROBERTSON. I received a letter this morning from which I should like to read one paragraph. The letter is from Mr. Howard D. Salins, managing

director of Flax and Fiber. The address of this concern is 6423 North Newgard Avenue, Chicago 26, Ill. I read:

For your information and in the interests of American farmers and the country as a whole we are passing on to you the report gathered by our radio monitor yesterday (Sunday) night, that the United States Department of State has entered into another trade agreement with the Argentine whereby the United States of America will ship her 500,000,000 gallons of precious gasoline in return from her of flaxseed.

If that be true, Mr. President, and I have only this letter to vouch for it, it seems to me a strong argument in favor of the position taken by my distinguished colleague [Mr. O'MAHONEY] that all trade treaties should be subject to Senatorial approval. If we are going to drain our present resources, which once taken from the earth can never be replaced, for agricultural products which can be grown year after year, I think most definitely such arrangements should be subject to senatorial action.

Mr. TAFT. I thank the Senator.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BREWSTER. I should like to clear up the matter of Mr. Clayton's testimony. I have before me a copy of the hearings. From a reading of them it seems to me he very clearly indicated that he proposed the elimination of the southern cotton growers from the world market because of the impossibility of their competing. I can read portions of his testimony which seem to me clearly to bear this out. On page 59 of the hearings before the Committee on Foreign Relations of the United States Senate, when there was being discussed the question of increased production in South America, the Senator from Alabama [Mr. BANKHEAD] asked Mr. Clayton regarding his position as to the cotton growers in the South. Mr. Clayton said:

I think that with Government help he ought to be put in a position where he can operate without Government help; yes, sir; that is what I believe.

Senator BANKHEAD. But you want that Government help to continue over a long period of years?

Mr. CLAYTON. I think it would probably take from 5 to 10 years to reconvert the cotton industry.

Senator BANKHEAD. And you believe in one world price for cotton?

Mr. CLAYTON. Yes, sir; I do.

Senator BANKHEAD. You believe the American southerner should be required to sell his cotton at the some price that the cheap Indian worker and the Egyptian worker get for their products?

Mr. CLAYTON. No, sir; I do not think that he should be required to do it.

Senator BANKHEAD. Well, not required; but if he did not have a market otherwise he would be required, would he not?

Mr. CLAYTON. Yes, that is right.

Senator BANKHEAD. So, in effect, that is what it means?

Mr. CLAYTON. In effect it means this, Senator BANKHEAD—that if in time the production of cotton cannot shift to more efficient lands, more efficient means of production, so as to meet this competition, then the Government has got to help the cotton farmer get out of that business and get into something else.

Mr. Clayton's testimony continues on the next page. I shall read only the pertinent part:

Senator BANKHEAD. Well, you know, there is a difference of about seven or eight cents in the world price of cotton and the American price of cotton?

Mr. CLAYTON. Yes.

Then Mr. Clayton takes up Secretary Wickard's plan. This is Mr. Clayton speaking:

If the plan of Secretary Wickard, that I and that others advocate, is not adopted, then you are going to continue with the present plan presumably, which is to produce twelve, thirteen, or fourteen million bales of cotton a year, which you cannot sell. Now, I do not know how long the United States Government can go along with that kind of thing.

Mr. Clayton proceeded to make it perfectly clear that he did not believe the subsidy program should continue. He did indicate, as I think the Senator from Georgia indicated, that it might be possible for areas in the West to compete with the world price, but he did not believe it was possible in what we characterize as the Old South. It was from that statement that I gained my impression that he expected to reconvert what we call the southern cotton growers into growers of some other products, and that they could not possibly hope to continue an economy under which they were exporting cotton in the world markets.

Mr. TAFT. Mr. President, I desire to make one thing perfectly clear. I do not want to decry the importance of foreign trade. What I wish to point out is that all this cry about how we are going to increase trade by reducing the tariff seems to me to boil down to a very small percentage, and one that cannot possibly have any broad effect on the exports of the United States and on increased national income of the United States. After all, even 1 percent of additional imports, which might produce 1 percent of additional exports, is not a net gain in our national income, because if that 1 percent were not imported, part of it, at least, would be made in the United States. The argument is that if we want to export something, we must import something to help the other fellow pay for it. But if we import something we must create an American market for those imports; and if we can enlarge our American market for imports, we can enlarge our American market for American-made goods. The foreign goods might be somewhat cheaper; but an increase of 1 percent in imports would result in an increase of only a fraction of 1 percent in the national income of the United States.

I see no reason to think that the proposed reduction could have a substantial effect on the prosperity of the United States. I can see how it might lead to perhaps $1,000,000,000 worth of imports, and that $1,000,000,000 of imports might destroy many small American industries, throw many people out of work, and create a condition which we could not successfully meet without Government aid and Government spending.

Mr. President, I wish to make only one further point. The argument is that in some way international trade makes for peace. I do not see why it makes for peace. I have never seen the argument followed through. There is very little evidence that wars have resulted from economic conflict—certainly not from quotas, so far as I can see. Most wars have resulted from a desire for power, the development of totalitarian leaders, or excessive nationalism. There is no evidence that I know of that import quotas and refusal to accept the imports of a particular country have produced war. It seems to me that unlimited competition in international trade is more likely to produce international friction. It has produced international friction in the past. The Underwood tariff certainly did not bring peace. It was followed by the First World War. The reciprocal trade agreements were followed by the Second World War.

There is no concrete evidence that free trade ever brought peace. During the nineteenth century, when the British had free trade, when they were seeking trade in every corner of the globe, more wars were started. Markets were grabbed and lands were seized in order that there might be trade with other countries. After all, Japan was an isolated country until we broke in and insisted upon her entering into world trade. The result of the insistence that Japan enter into world trade was not anything that we can consider as a generally successful move for peace.

I do not see any evidence that quotas and exchange restrictions have brought war. As I see it, we have only one problem. There may be countries so lacking in self-sufficiency and in markets that they cannot buy the things which they ought to have to feed themselves and to keep their economic machinery running. If there are any such countries, under the guidance of the San Francisco Conference and of the Social and Economic Council, and with their approval, I think we could enter into bilateral treaties with those countries. If Czechoslovakia must export a certain number of shoes, I think it would be fair enough for us to say, "We will take our share to help this particular economic sore spot in the world." I have no objection to bilateral treaties of that kind; but this proposal is a proposal to reduce all tariffs to all nations, whether they need it or not. Therefore it has no relation to world peace. It is simply an economic policy which I think will tend to bring destruction and unemployment in this country, rather than prosperity and peace.

Mr. President, I should like to add that so far as I am concerned, I do not wish to go back to the original tariff-making policy by which Congress, through log-rolling methods, made the tariffs. I should be perfectly willing to delegate to a tariff commission the power to make tariffs, provided we could lay down in the law sufficiently definite standards so that the commission would be bound by such standards, and so that those who are injured by the failure of the commission could go to court and have the law interpreted, and compel the administrative board to conform to the standards laid down by Congress.

I hope that 2 or 3 years from now, when this act again comes before us for consideration—because I assume that in some form it will be extended, and I see no great objection to extending it at the present time, although I do not approve of the principle of unlimited delegation—we may have presented a permanent tariff policy by which a board may fix tariffs, at rates which will protect American industries, with such exceptions as Congress see fit to make, or with the exception of industries producing only a very small proportion of the total consumption requirements of the United States. I believe very strongly that such a system can be devised, and I hope that such a system may be presented 2 or 3 years from now.

Inasmuch as there are no standards, and inasmuch as this is a request to give the President arbitrary power to establish any tariff he pleases, and destroy any vulnerable industry he pleases, and inasmuch as there is no proposal to write any standards into the law, I intend to vote for the amendment of the Senator from Wyoming, which provides that after a treaty is made it shall come back to Congress for ratification. I do not think that is the best method of dealing with the problem. I would rather have the standards prescribed in advance, and have the Commisison authorized to make tariffs under those standards, which I hope would protect every important American industry.

Mr. President, I cannot understand the reason why today, without having first tried the 50-percent cut, without having first tried the 31-percent tariff on dutiable products, we should suddenly, without having any experience with such tariffs, step into a 16-percent tariff, a tariff which certainly would wipe out a very considerable number of industries if the power were used. I do not believe that we can escape our responsibility for the destruction of those industries and the unemployment which would result by saying "We do not think the President will exercise those powers."

The PRESIDING OFFICER. The clerk will state the first committee amendment.

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Guffey	O'Mahoney
Austin	Hart	Overton
Ball	Hatch	Pepper
Bankhead	Hayden	Radcliffe
Barkley	Hill	Reed
Bilbo	Hoey	Robertson
Brewster	Johnson, Colo.	Saltonstall
Bridges	Johnston, S. C.	Shipstead
Briggs	La Follette	Smith
Brooks	Langer	Taft
Buck	Lucas	Thomas, Okla.
Burton	McCarran	Thomas, Utah
Butler	McKellar	Tobey
Capper	Magnuson	Tunnell
Chavez	Mead	Tydings
Donnell	Millikin	Wagner
Downey	Mitchell	Walsh
Ellender	Moore	Wherry
Ferguson	Morse	White
Fulbright	Murdock	Wiley
George	Murray	Wilson
Gerry	Myers	Young
Green	O'Daniel	

The PRESIDING OFFICER. Sixty-eight Senators have answered to their names. A quorum is present.

The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 1, after line 7, it is proposed to strike out:

SEC. 2. (a) The second sentence of subsection (a) (2) of such section, as amended (U. S. C., 1940 ed., Supp. IV, title 19, sec. 1351 (a) (2)), is amended to read as follows: "No proclamation shall be made increasing or decreasing by more than 50 percent any rate of duty, however established, existing on January 1, 1945, (even though temporarily suspended by act of Congress) or transferring any article between the dutiable and free lists."

(b) The proviso of subsection (b) of such section (U. S. C., 1940 ed., sec. 1351 (b)) is amended to read as follows: *"Provided,* That the duties on such an article shall in no case be increased or decreased by more than 50 percent of the duties, however established, existing on January 1, 1945 (even though temporarily suspended by act of Congress)."

SEC. 3. Such section 350 is further amended by adding at the end thereof a new subsection to read as follows:

"(d) (1) When any rate of duty has been increased or decreased for the duration of war or an emergency, by agreement or otherwise, any further increase or decrease shall be computed upon this basis of the postwar or postemergency rate carried in such agreement or otherwise.

"(2) Where under a foreign trade agreement the United States has reserved the unqualified right to withdraw or modify, after the termination of war or an emergency, a rate on a specific commodity, the rate on such commodity to be considered as 'existing on January 1, 1945,' for the purpose of this section shall be the rate which would have existed if the agreement had not been entered into.

"(3) No proclamation shall be made pursuant to this section for the purpose of carrying out any foreign trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted."

And insert:

SEC. 2. Such section 350 is amended by adding at the end thereof a new subsection to read as follows:

"(d) No proclamation shall be made pursuant to this section for the purpose of carrying out any foreign trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted."

Mr. GEORGE. Mr. President, this is the amendment about which I spoke briefly yesterday afternoon. For the reasons I stated and for other obvious reasons, I am asking the Senate to disagree to the amendment—in other words, to vote it down.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. O'MAHONEY obtained the floor.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. WILEY. I desire to speak briefly on the proposed legislation.

Mr. President, I wish first to compliment the speakers who have expressed their ideas on this very important subject. Yesterday I listened with great interest and with profit. I also had the privilege of listening to my Republican brethren today, and I may say that I listened to them also with great profit.

In all matters with regard to which the human mind has a faculty of disagreeing, we find that individuals state their own premises and then draw certain conclusions from them. I had not expected to speak today; I had desired to review some briefly written notes this evening and make my comments tomorrow; but, in view of the fact that we are apparently proceeding at an accelerated pace, I have agreed to carry on for a brief period this afternoon.

As I have already said, Mr. President, I wish to present briefly a few thoughts with regard to the pending bill which would extend and widen the President's authority under section 350 of the Tariff Act of 1930.

As with so many other important issues which have been under consideration in the past, I think a great deal of buncombe or loose thinking has been built up around the issue which has arisen in this instance. It is essential that the buncombe be displaced by a realistic appraisal of the facts and of the issue. It is to this end that I humbly contribute the thoughts I am about to express.

Mr. President, the Senate has considered the tariff question on innumerably previous occasions, as well as during the past day or so. In my opinion, the following facts stand out in the present controversy, and I now summarize them:

First. The policy of bilateral reciprocity is a Republican policy in its origin, and in its constitutional applications.

Second. The tariff-making power is a Congressional power.

Third. America's standard of living, and her wages are tremendously high in comparison with those of the other nations of the world.

Fourth. There is a wide difference, both in the nature of tariffs and in the commodities covered by tariffs.

Fifth. America's great market in her home market.

Sixth. The actual results of the reciprocal trade agreements have not yet been established. I am sure that the discussion this afternoon has clearly demonstrated that fact. The agreements with the United Kingdom did not go into effect until 1939. So we have no yardstick with which to measure results.

Seventh. It has been established that the Tariff Act did not cause the world-wide depression.

Eighth. It has been established that instead of being a breeder of war, the tariff act actually may serve to prevent war.

Ninth. We do not now know what will be the postwar international trade picture, or what will be any part of it. It is all a matter of conjecture. No one can read the comments being made in relation to the compact which is being drawn up at San Francisco, and no one can listen to radio commentators without a realization that world conditions are in a state of flux. One commentator will speak about the child which is about to be born at San Francisco as a wee

step forward, and another will speak of it as being of no constructive importance whatever.

Mr. President, I repeat that we do not know what will be the postwar international trade picture. Trade, as we have learned during the past few years, in most instances is not a matter of agreement. It is a matter of life and death among the nations. Only today it has been stated in the press that Canada is reducing the gold content of her dollar. Senators know what that will mean to the trade of Canada, and they know what nations will do when they are fighting for their economic lives. I am stating, Mr. President, what I believe to be fundamental premises. Hence the great question in tariff policy is, How will it be administered?

Let me put it very bluntly. Before I became a Member of the Senate, approximately 6 years ago, I had a discussion with a prominent economist who had graduated from one of the great universities of the United States. At that time we had entered into a treaty of some kind with Czechoslovakia in relation to shoes. I called the attention of the economist to a statement which had been made to me by a representative of a little shoe manufacturing concern in my city. He had said to me, "If enough of these shoes continue to be imported, I can buy them cheaper than I can manufacture them, and I will have to go out of business; but I will make as much money because I can buy those shoes and sell them, just as I am doing now." I said to the economist, "What do you make of that?"

He said, "That's all right. We should have trade on a world level."

But, I said, "America has a standard of living, a wage standard, which is so far superior to that of any other country that if we should open the floodgates to imports from other nations, it would simply put us down to their level."

This man, who had the benefit of the best education in the United States, paid for by the taxpayers' money, said, "What of it?" Talk about an educated nincompoop. Think of that remark, "What of it?"

Less than 4 weeks ago another economist who had graduated from a university in New York City came into my office. I told him of this incident. "Why, sure," he said, "that economist was right. You have to protect the consumers of America."

"But, my dear sir," I said, "what of the 2,000,000 men and women employed in the shoe industry in this country?"

He said, "If we can buy shoes cheaper from other lands, the consumer should have the benefit of the cheaper price."

I asked, "What about the 2,000,000 men and women?"

He said, "Let them find employment elsewhere."

So I say to my colleagues, the test of a tariff policy is dependent on how it is administered. None of us who have been in Washington 6 years, who have seen some of the short-haired "gals" and some of the long-haired men who dictate policies in some of the groups downtown, are yet willing to turn over the economy of America to them.

Yesterday we had a graphic picture given to us by the distinguished senior Senator from Wyoming [Mr. O'MAHONEY], when, appearing, as he said, before one of these groups that was engaged in determining the letter and the spirit of a certain trade treaty or agreement, he did not see the head of the department, he did not see the Secretary of State, he did not see even the head of a division; he saw a few advisers sitting there, perhaps an adviser like the two economists about whom I have spoken.

So, Mr. President, I say this job is bigger and the question of cotton is likely to be more serious than may appear at first blush. If Harry Truman, to whom we would delegate this power, were to say that he would sit in on the hearings, if he could possibly sit in—a man born in the West, who knows the value of a dollar, who knows the life of the Middle West, who knows the problems of the workmen and the manufacturers—there would not be any question; but his view must be world-wide, he is taken up with this and with that, he is the executive head of 135,000,000 people, and so when a trade agreement is negotiated it goes not simply to the Secretary of State, who cannot handle it, but regardless of what geographical section of this country may be affected, it goes to the Treaty Division, and that Division will turn it over to a few who will sit in.

Suppose that among them there should be someone who had a special interest. Are there such people in Government? Have Senators ever had any experience of that kind with OPA and WPB? I do not think there is a Senator who can say he has not. I could cite instance after instance, but we are dealing with the economic health of the United States. When, as so graphically stated by the Senator from Wyoming, we who have been given power under the Constitution, we who through the years have seen the powers of Congress literally vanish from us because of the war and emergency, we who now are asked by the people to reclaim powers, are contemplating relinquishing more power, we had better think twice.

Before discussing specific points, let me note some general facts as a background. What does the pending bill propose?

The bill as passed by the House would extend the Trade Agreements Act of 1934 for a further period of 3 years, extending from June 12, 1945.

Second, it would amend the existing act to give the President authority to permit decreases or increases in tariff rates by 50 percent from the level of January 1, 1945. Under this authority any tariff rate in existence on that date which had been lowered by 50 percent through existing reciprocal agreements could be decreased still further to the extent of an additional 50 percent. Thus these rates could be reduced to a maximum of 75 percent from the original tariff rate as it existed on June 12, 1934.

Mr. President, the distinguished senior Senator from Ohio [Mr. TAFT] today gave illustrations. In the State of Wisconsin we know the history of zinc. We know what happened to the mines in southwestern Wisconsin, in Iowa, and in Illinois. In my State many bicycles are manufactured. I have had occasion to go into that matter, but I shall not particularize at this time. Throughout the Middle West there are manufacturers of glass, china, crockery, and those industries have grown up during the war because there was none to take our market. There are other things. Textiles have been mentioned. There are roller bearings, and all agricultural products.

I think it can be said with absolute assurance that since the Trade Agreements Act went into effect, in 1934, since which time 28 agreements have gradually been entered into up to 1939, there has not been an agreement of which anyone can say with reasonable certainty that it has really advantaged or really disadvantaged the country to any great extent, except in the case of a few of the articles.

In the light of the provisions of the bill to which I have referred, let us see how the Reciprocal Trade Agreements Act has worked out thus far. We have already concluded reciprocal trade agreements with 28 nations. Since 1934 there has been a total of 1,226 rate reductions in 346 tariff paragraphs, as follows: 230 rates reduced up to 25 percent, 266 rates reduced 26 to 39 percent, 179 rates reduced 40 to 49 percent, 523 rates reduced full 50 percent permitted, 28 rates reduced variable or exact change flexible.

Let us see how these tariff reductions have worked in relation to specific countries. Let us take the United Kingdom and Canada, our two largest customers, which accounted for one-third of our total export trade in 1939. In that year, reciprocal trade agreements with the United Kingdom had reduced rates of duty on almost 75 percent by value of the total dutiable imports from that country. In that year also our tariff reductions were in effect to the extent of 85 percent by value of the total dutiable imports from Canada.

Actually our tariff rates have already been reduced to the approximate level of the Underwood Tariff Act of 1913. The steady reduction in rates under the trade-agreements program has given the United States one of the lowest tariff levels of all the countries of the world.

One of the main arguments made yesterday by the distinguished Senator from Georgia [Mr. GEORGE] was that because of unsettled conditions we should give the further power to the President. I pose this question: Because of unsettled conditions should not Congress reclaim its powers? Should it not do so considering the shape the world is now in? If certain individuals are allowed to deal with our international economy in the manner in which they have dealt with it in years past, with their buncombe concept of what is economy, we will find that America will be continually "sold down the river"; that America will be "sold short."

As Members of the Congress vested with the constitutional obligation and power we are now asked, and we shall probably grant the request, to extend the act which has not had opportunity to demonstrate its effectiveness for good or for evil; we are asked to extend it in this

perilous period so that the tariff rates can be reduced another 25 percent or 50 percent of what they have previously been reduced.

The distinguished Senator from Ohio said that already we allow more than 65 percent of all imports, including raw materials, partially manufactured materials and noncompetitive finished materials, and agricultural implements, to come in free of duty. I think that is a wise provision. As I shall show later there are three classes of this international trade to which we should give particular attention. But between 60 and 65 percent of all imported goods come in free.

With this brief background let us review the major undeniable points, or at least points which I think are undeniable, which have arisen out of the long tariff controversy.

First, the policy of bilateral reciprocity is a Republican policy in origin and in constitutional application. It was the Republicans who originated the doctrine of reciprocity. It is a good doctrine. It is a policy which is embodied in the Constitution, a policy which should come into effect when two nations wish to get together and make a treaty.

Mr. RADCLIFFE. Mr. President——

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Wisconsin yield to the Senator from Maryland?

Mr. WILEY. I yield.

Mr. RADCLIFFE. I understood the Senator to say a moment ago that reciprocity is a good doctrine. But the Senator also stated a few minutes previously, that in dealing with foreign nations we have been "sold down the river." I think that is the phrase he used but I am not entirely clear that I have inserted the phrase in its proper setting. Now just what policy does the Senator have in mind? Since we began the policy of reciprocal trade agreements, we have entered into a number of such agreements and they have apparently worked very well. In fact I think it is almost the unanimous opinion that they have worked exceedingly well. If the doctrine of reciprocal trade agreements is so naturally sound, then we certainly have to run the risk, as the Senator says, of being "sold down the river." If we are going to deal with other countries we must have the power to do so advantageously. Does not the Senator think that we are in a better position to take care of ourselves if we have the power and authority to negotiate with other countries rather than to be bereft of such authority? If there is any danger of being "sold down the river," which I do not think there is, I believe we can look out for ourselves successfully and have done so. We can surely take better care of ourselves if the President and his advisers have some authority and power and leeway in negotiation than if they have none.

Mr. WILEY. Mr. President, is that a question, or is it a statement by the distinguished Senator? What is the question?

Mr. RADCLIFFE. The question is involved in a statement. I was asking the Senator how he expected to harmonize his statements. The Senator said that in dealing with other people we are being "sold down the river." On the other hand, the Senator said he believes in reciprocal agreements. How could the two statements be fitted together? How would the Senator adjust them to each other?

Mr. WILEY. Apparently the Senator from Maryland does not recall our dealings in the last 6 or 7 years; how we gave everything; and now, when we ask certain things, we find that our opportunity on the international front is gone. That is a matter of history with which the Senator is thoroughly cognizant. If the Senator says it is a question of Congress giving the President, and through him to his subordinates, a power which is a congressional responsibility, I answer that when we enter into a treaty which the Senate approves by two-thirds majority, then we will have no trouble whatever. The distinguished Senator from Wyoming provides in one of his amendments that after we delegate the power we shall have the opportunity for 60 days thereafter either to approve or disapprove. That would throw around the whole transaction the original basic constitutional band of protection. I shall not go into the history of how we are "sold down the river," if the distinguished Senator does not bear in mind the number of instances that have occurred.

Mr. RADCLIFFE. Will the Senator from Wisconsin yield for one more question?

Mr. WILEY. Yes; I am very happy to yield.

Mr. RADCLIFFE. I promise that I shall leave him in peace after this question. Does the Senator feel that a fair appraisement of the results of the creation, development, and operation of reciprocal agreements is that we have lost out so heavily? I thought the general opinion of people of the country was that that policy has been administered rather wisely, effectively, and beneficially to a high degree. I certainly think so.

Mr. WILEY. I am sure the distinguished Senator did not hear me say what he just now said. What I said was first that trade treaties came into being in 1930, and through the years they gradually evolved until we have 28 of them. The last was either with Mexico or Great Britain, in 1939. It may be that sufficient time has not elapsed to prove their effectiveness, first, because they were in operation during a very severe depression, when all our exports and imports fell off. If I wanted to be unfair, I could use what occurred during that period as an illustration and say that the treaties did not work. But up to 1939 Senators will find that our exports and imports fell off during the existence of the reciprocal agreements. I do not say that was the result of the agreements.

The world was in such a chaotic condition then, as it is now, that with respect to these particular treaties, with the exception of the articles mentioned by the distinguished Senator from Ohio, one cannot say whether they were for better or for worse.

I should prefer to discuss the points I have made seriatum, and give my own views.

Mr. RADCLIFFE. Mr. President, will the Senator yield once more?

Mr. WILEY. Yes.

Mr. RADCLIFFE. When the Senator referred to what he has said was our unfortunate experience in the last 6 or 7 years, I assumed he was discussing our experience under the reciprocal trade agreements, but I judge from what the Senator now says that he did not have those results in mind.

Mr. WILEY. What I had in mind was our great liberal-hearted policy of $39,000,000,000 in lend-lease, of our trading off this and trading off that, and of our getting nothing in return when we had an opportunity to get something. I am now talking about the policy which existed during the war years.

Mr. RADCLIFFE. Then the Senator's reference to the past 6 or 7 years had nothing whatever to do with the reciprocal trade treaties or results under them.

Mr. WILEY. I have already made it clear that during the years from 1939, the reciprocal agreements had no chance to operate to capacity, one way or the other. I believe that is a fair statement. That is the point which I wish to make clear. I do not wish to be partisan or biased, or credited with assuming that certain facts establish something that they do not establish. So I have said, and I repeat, that in my humble opinion, the fact that the records of imports and exports show that during the period when the treaties were in existence exports and imports decreased does not prove that the treaties themselves were ineffective.

I was speaking on the subject of the policy of bilateral reciprocity as a Republican policy. It was the Republicans who originated the doctrine of reciprocity as a bilateral proposition. It was they who consistently adhered to the policy, along constitutional lines. This was in keeping with the true purpose of such policy, as laid down by President William McKinley, its greatest exponent. In his first inaugural address, President McKinley said:

> The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our people, but tend rather to increase their employment.

I believe that that philosophy is wisdom, and that anything that is tested by that yardstick will prove to be sound.

The Republican Party has applied this policy, notably in the case of the McKinley tariff of 1890 and the Dingley tariff of 1897. Let us, therefore, have no loose talk about the administration's fatherhood of this idea. Let us have no more loose talk labeling the Republicans as economic isolationists, or with any other misnomer which smear artists can conceive.

The tariff-making power is a congressional power. Article I, section 8 of the Constitution of the United States provides that Congress shall have power to lay and collect duties, and to regulate

commerce with foreign nations. When the Congress delegates that power to the President, and through him to the State Department, it is the right of Congress, of course, to do so. It is the right of Congress to withdraw that power from the President. It is the right of Congress to limit its delegation of authority to him, to review the exercise of such authority by him, and to take any other step which it deems fit and proper in accordance with its own constitutional obligations and responsibilities. Let us, therefore, have no more loose talk about Congress sabotaging the President's bargaining power.

Where did the expression "the President's bargaining power" come from? He has Executive power. Congress does not trespass on his Executive power. If we use him as our instrumentality, we can prescribe in what field he shall operate, and to what extent. Let us have no more ill-advised chapter, such as I heard one evening recently by a radio commentator, who said, in effect, that Congress was "torpedoing the President's right to engage in tariff bargaining."

I do not wish to indicate what I think of some of those who are presuming to instruct the people. They get an idea, and then they speak from a tower. No one can touch them. They are omniscient. They speak of the President's right to engage in tariff bargaining, as if that were his right. That is our right. Any such authority as the President has in that field he derives from us, the Congress of the United States.

Why am I so insistent? I am no more insistent than is the distinguished Senator from Wyoming [Mr. O'MAHONEY]. When I heard the great Senator from Georgia [Mr. GEORGE], whom I love, speak of the collectivist movement in the world as an argument for granting additional authority to reduce tariffs 50 percent, I scratched my head and sought for the logic of that statement. The collectivist movement comes into being only when congresses and constitutional bodies fail to perform their function and give away their power. Collectivists movements occur not only in the political functions of a state but also in economic functions.

Not so long ago, in a hearing before a congressional committee, I heard a man from downtown say that what we should do was to create great Government corporations to handle foreign trade. Where did he get that idea? Have Senators ever heard of Amtorg? Have Senators ever heard of the great German agency which reached its tentacles into the very vitals of America in the chemical industry and other industries? It was government-controlled and financed. We had better think this thing through, Mr. President. The day of collectivist infiltration has just begun. The struggle of ideologies is still on; and the most important front in the world is the American front, which stands for the democratic way. The fight is greater than the question of simply delegating to Harry Truman or his State Department the power to exercise 75 percent of our power.

Senators know what the plea of all America is. They know it from their mail—not recently, of course, because lately some of the organizations mentioned by the Senator from Ohio have cracked the whip, and their stooges have sent letters and telegrams. The plea of all America is to maintain America American, a government with checks and balances, with an independent executive, an independent legislative branch, and an independent judiciary.

The people are asking Congress, "When are you going to recapture your powers"?

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. LUCAS. The Senator makes a statement as to what all America wants. If all America is against the passage of this bill, as the Senator says, why do men like Ed O'Neal, the head of the Farm Bureau Federation; Mr. Patton, head of the Farmers Union; Dan Tobin, the head of the teamsters' union, and representatives of chambers of commerce, the CIO, and other great organizations come before our committee and recommend the passage of the bill without any amendments?

Mr. WILEY. Just a moment. The Senator is putting words in my mouth. I did not say that all America was against this bill. I said that what all America wants is to have Congress stand on its own feet and recapture its powers. I cannot look into Ed O'Neal's mind or into the mind of a CIO representative or anyone else's. I have views of my own as to the reasons why they support this measure. Thank God, that is still their privilege in America. They still have freedom of petition. When they come here, I do not condemn them for taking a view contrary to that held by me. However, as a legislator, I have a function more important than that of Ed O'Neal. I am one of 96 Members of the greatest body of its kind in the world. My people expect me to use my judgment, although it may clash with that of my fellow men. I made the statement that all America—I would not even except those whom the Senator has mentioned, even though they may differ with me as to the pending proposal—is asking Congress when it expects to reclaim its birthright. By that I mean its legislative function, which, because of the war and others things, it has had to delegate.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TOBEY. Reverting to the remarks of the Senator from Illinois [Mr. LUCAS], let me supplement that discussion by inviting the speaker's attention to the fact that the titular leader of our own party, Hon. Thomas E. Dewey, Governor of New York, has come out forthrightly and foursquare for the adoption of reciprocal tariffs and delegation of power thereunder, as has also Hon. Alfred Landon, who held the same position a few years ago. They are good authorities. We cannot all agree on these things. They speak for a great many Republicans. They have demonstrated a broad spirit in connection with the important phases of this legislation.

Mr. WILEY. I thank the Senator. I agree that men in the same party may differ.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. WHERRY. Mr. President, the Senator from Illinois mentioned the name of Ed O'Neal, head of the American Farm Bureau Federation, and the Senator said that Mr. O'Neal, speaking for the farmers of this country or, at least, for the organization he represents, recorded them as being favorable to the Reciprocal Trade Agreements Extension Act, as passed by the House. Let me say that Mr. O'Neal does not represent the cattle interests of this country, and he does not represent me—and I am a farmer. I wish to tell the Senate that the farming interests are not in favor of these reciprocal trade agreements and the proposed additional cut.

I hold in my hand a letter I have received from Denver, Colo., from Mr. F. E. Mollin, secretary of the American National Live Stock Association. Here is the concluding paragraph of his letter:

> It is our fear that further cuts in the tariff made at request of foreign interests without regard to the effect on American cattle producers can bring disaster to this industry when the war is over and we have to return to a basis of only domestic consumption. We have had no export trade in beef for more than a generation except during the two war periods. The possible heavy imports of cattle, dressed beef, and canned beef from Canada, Mexico, Cuba, and South America with cattle numbers expanding particularly in Canada and Mexico constitute a major threat to our industry and there should be no further reduction in the tariff. The only way to prevent it is to strike that provision from the pending tariff bill.

Mr. President, I ask unanimous consent to have the entire letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ARGENTINA TRADE AGREEMENT

1941: Canned beef reduced from 6 cents per pound to 3 cents per pound. Hides reduced from 10 percent to 5 percent ad valorem. Tallow reduced from one-half cent per pound to one-fourth cent per pound.

You will note from the above that the cattle industry in this country is at a peak in numbers and that beef production is expanded to a wartime basis and that under the existing trade-agreements law the full 50 percent cut in tariff has already been made on most of the important items affecting the cattle industry; that further reduction of the tariff as proposed in the pending bill would leave only a semblance of tariff protection for this great industry. It should not be forgotten that considerably more than half of the land acreage in this country grows grass and that much of this area cannot be used for any other purpose.

That use of the power to cut tariffs has not been limited to items where existing rates were a barrier to imports is clearly evidenced in practically all of the above items. Cattle imports have moved into this country freeely from Canada and Mexico under the rates prescribed in the original Hawley-Smoot Tariff Act. Dressed beef has come in considerable quantity from Cuba in recent years and it is now indicated that Canada,

having expanded its processing facilities during the war, will seek also a reduction in the tariff on dressed beef in order to send part of its exports to this country in that fashion.

Our imports of canned beef from South America prior to the war ran around 60,000,000 pounds per year—some years higher than that. About the time the war began, when the Army made its first purchases of South American canned beef, it was found that they could undersell the domestic product close to 15 cents per pound. The cut in the tariff from 6 cents to 3 cents was entirely gratuitous.

On hides the original 10 percent ad valorem was a nominal tariff and certainly by no stretch of the imagination could be considered a bar to importations. Records show large importations annually from South America and other countries. There was no excuse whatsoever for the reduction in the tariff on this item.

It is our fear that further cuts in the tariff made at request of foreign interests without regard to the effect on American cattle producers can bring disaster to this industry when the war is over and we have to return to a basis of only domestic consumption. We have had no export trade in beef for more than a generation except during the two war periods. The possible heavy imports of cattle, dressed beef and canned beef from Canada, Mexico, Cuba, and South America with cattle numbers expanding particularly in Canada and Mexico constitute a major threat to our industry and there should be no further reduction in the tariff. The only way to prevent it is to strike that provision from the pending tariff bill.

Respectfully submitted.

AMERICAN NATIONAL LIVE STOCK ASSOCIATION,
By F. E. MOLLIN, *Executive Secretary.*
DENVER, COLO., *May 18, 1945.*

Mr. WHERRY. Mr. President, that letter comes from the head—the secretary—of the cattlemen's organization of the United States. Mr. O'Neal is not speaking for them, and he is not speaking for me. I have just returned from Nebraska, and the farmers of Nebraska are not for these reciprocal trade agreements. I wish to add that statement to the address of the Senator from Wisconsin, which is certainly a very forceful one, and one to which we should listen with care.

Mr. BUTLER. Mr. President, will the Senator yield to me?

Mr. WILEY. I will yield in a moment.

Mr. President, first let me say that I do not wish to go into the question of who is for or who is against this particular proposal. I am frank to say that I have not counted noses. I have tried to reason my way through. As was suggested by my dear friend the Senator from New Hampshire [Mr. TOBEY] he has reached another result. I give him full credit for being honest and sincere. That is all I myself ask to be credited with. In this very process, Mr. President, I see in operation our great American system of checks and balances. It is in operation right here on the floor of the Senate, thank God. We are of many different races, and we have different economic, social, political, and—what is more—geographical levels. That very situation gives us here on the floor of the Senate the system which we call the American system of checks and balances, and out of the crucible of the clash of ideas we obtain the results, and then we abide by them.

I wish to say again that I do not desire to have Senators begin to count noses as to who is for or who is against, because that is not the way by which I have reached my conclusion.

Mr. TOBEY. Mr. President, will the Senator from Wisconsin yield at this point?

Mr. WILEY. I yield.

Mr. TOBEY. I was interested in the Senator's statement that he has not counted noses. Of course, I take the Senator's statement at par. Neither have I counted noses, but I am pleased to know that on this side of the aisle there is a growing number of Senators who will vote for extension of the Reciprocal Trade Agreements Act, and the number is growing larger every day. Let me tell the Senator, however, that there are other groups in the United States bitterly fighting this legislation, and their representatives are to be found not very far away from here. In the room to the right of this Chamber sit five fat, sleek lobbyists, with pencils and notebooks, jotting down the names of Senators who are for or against the pending measure, attempting to appraise their attitude, and calling Senators from the Senate Chamber and conferring with them, and conniving how to influence Senators to oppose the extension of the reciprocal tariff agreements and a further reduction in tariffs. That is the lobbying system in action, and that is an evil concomitant of Congress.

We are here charged with a great responsibility, and it is a tragic thing that as we sit here debating this far-reaching legislation, these lobbyists sit out there and go into a huddle with a Senate leader in an effort to bring Senators under the force of their arguments and influences and quid pro quos which, although we do not see them in here, yet function in the Senate lobby around the corner at this very moment, and have been doing so for several days.

So I commend my friend the Senator from Wisconsin for his argument, although I do not agree with him. He has not taken stock of all there is to be considered, but he has presented his argument in a frank and sincere way.

But I say that these lobbyists can go straight to—well, you know where they can go.

Mr. BUTLER. Mr. President, a moment ago I heard the question which was directed by the distinguished senior Senator from Illinois to the distinguished junior Senator from Wisconsin, with reference to the attitude of a certain national organization, to wit, the American Farm Bureau Federation. I merely wish to say that the Farm Bureau Federation of my State does not agree with the Ed O'Neal attitude. I put it that way, instead of saying the attitude of the American Farm Bureau Federation. Let me also say that the National Farm Union, headed by Mr. Patton, does not speak the language of the Nebraska farmers, and I will go a little further in that direction and says that the farmers of Illinois are not in tune with the statement issued for the American Farm Bureau Federation by Mr. O'Neal.

Mr. LUCAS. Mr. President, will the Senator yield to me?

Mr. WILEY. I yield.

Mr. LUCAS. I merely asked the Senator a question, in view of the statement he made to the effect that all America wants Congress to regain its powers. At that time the Senator from Wisconsin was discussing the reciprocal trade agreements. One of the chief arguments which we have heard is that, by means of the agreements, Congress is delegating away its power, and is transferring it to the Chief Executive. I merely mentioned the fact that Ed O'Neal, the head of the Farm Bureau; Mr. Patton, the head of the Farmers' Union, and representatives of the other farm organizations appeared before the Finance Committee, of which the Senator from Illinois is a member, and testified in favor of continuing the trade agreements without any crippling amendments. I do not know whether the Farm Bureau reaches out into Nebraska. Apparently it does.

Mr. BUTLER. Yes; there is a good one there.

Mr. LUCAS. Apparently it does, judging from what the Senator from Nebraska has said.

I did not raise that question at all. There was no reason why the distinguished junior Senator from Nebraska [Mr. WHERRY] should become so heated about cattle again. That was not the point at all. I was merely attempting to make inquiry relative to the broad statement the Senator from Wisconsin had made.

I wish to say in reply to what the junior Senator from Nebraska [Mr. WHERRY] said that I understand that Earl Smith, of Illinois, who is the head of our Farm Bureau, is for these agreements. I think he knows as much about agriculture as any other man in America does. Earl Smith is in favor of continuation of the Reciprocal Trade Agreements Act. He may not represent all the farmers. He is an independent in thought and in his political activities. I think he is a marvelous man. I follow his views occasionally and occasionally I do not. The farmers in my section of the country, in my judgment, have a great stake in connection with the reciprocal trade agreements. I do not know about the cattlemen of Nebraska, but if the Senator from Wisconsin will pardon me for a further moment I should like to say that I do know that the reciprocal trade agreements have not disturbed or hurt the cattle industry up to now. The only thing that is feared is fear itself. That was the substance of the testimony of practically every witness who appeared before our committee. There has been no substantial injury.

The other day the Senator from Ohio, while in the committee, recognized the fact that under the reciprocal trade agreements the injury to the cattle industry has been negligible, in comparison with the total amount of cattle imported to this country.

But when the Senator from Wisconsin indicated that, in his judgment, all America is against the trade agreements, I merely rose to call his attention to the testimony which was adduced before the

committee. When the Senator said he had not counted noses, it seemed to me he should not be telling the Senate about this industry and that industry and the other industry which will be hurt. That has been the basis of his argument. He apparently is counting noses; otherwise, his argument does not hold water.

Mr. WILEY. Mr. President, I object to having the Senator from Illinois put words in my mouth. I did not make the statement which he has attributed to me. I would have to be blind to what has been occurring on the floor of the Senate in the last few days if I were to say that all America is opposed to the trade agreements. I made no such statement. I said that all America is asking when the Congress of the United States will reclaim its constitutional powers. That is the statement I made.

Mr. HATCH rose.

Mr. WILEY. Mr. President, I desire to proceed with my remarks, although first I will yield to my dear friend the Senator from New Mexico.

Mr. HATCH. Mr. President, I should be glad to have the Senator yield to me.

Mr. WILEY. Yes; I yield.

Mr. HATCH. I rise because of the statement made by the Senator from Nebraska, as I understood him, to the effect that Mr. Mollin is head of the cattle industry of this country. Mr. Mollin, as I believe the Senator from Nebraska will agree, is the paid executive secretary of the American National Livestock Association. He is not the head of the association. So far as I am concerned, he does not speak for the cattlemen of America.

Mr. WILEY. Mr. President, I wish to resume.

Third. America's standard of living and her employee wages are tremendously high in relation to those of the rest of the world.

This is the most crucial single factor in our tariff discussion. Our standard of living in relation to the rest of the world is so high that were we to deny tariff protection to our products, the goods of countries with low standards of living and cheap labor could flood into America and undersell our domestic production. This is true in the case of shoes. It is true in the case of minerals, of motor vehicles, of dairy products, and so on. Our relatively high labor costs are not sufficiently offset by our relatively greater worker productivity. Labor represents from 30 percent to as high as 60 percent in the cost of all articles affected by our tariff duties. I ask Senators to compare the real income of American workers with that received by the workers of other countries. In the period from 1925 to 1934, the annual income figures looked like this: China, $110; Japan, $353; Germany, $646; France, $685; Great Britain, $1,069; United States, $1,381. Obviously, unless we are to make some attempt to offset our relatively high labor cost through reasonable tariff barriers, cheap goods will flood into America, close factories, cause unemployment, and lower America's standard of living. That is one terrible consummation which we devoutly do not wish.

Mr. President, I remember that when I was a boy a Mr. Wagner, a great sugar man, came into my little community. We built a sugar-beet factory. The citizens of the community contributed approximately $400,000 of hard-earned money. The total population of the community was about 10,000. Extra labor was employed during the sugar-beet season. All at once someone started tinkering with the tariff on sugar. What happened? A bank at Milwaukee had loaned $100,000 on the factory. The factory was good security for the loan. Subsequently it was forced to close. The machinery and the factory were almost worthless, and the bank was able to obtain only $10,000 from a sale of the machinery and the factory. The community lost an investment of $400,000. The employees lost their opportunity to work. The economic current of that community was seriously affected because someone had tinkered with the tariff schedule. The recollection of that experience comes to me now. At that time I was a youngster only 15 or 16 years of age.

Mr. President, let us remember that the unconditional most-favored-nation principle which America follows in each of her tariff agreements provides a keg of dynamite. Thus, if we allow to be imported 4 percent of our total domestic production of any one commodity through a trade agreement with one nation, under the unconditional most-favored-nation clause that allowance is generalized to all 27 remaining nations with whom we have reciprocal trade agreements. If we multiply that 4 percent by 28 the result is 112 percent of our total domestic production. Thus, not a single unit would be produced by America within a short time. Some will say that the reductions are made only in the case of a nation which is a single principal supplier of the particular goods, and that to multiply by 28 is unfair. But it has been proved that these reductions are not always made to principal suppliers. Moreover, in the case of a commodity such as a dairy item which is produced by many countries, the most-favored-nation principle will cause a tariff reduction for all those countries.

Fourth. There is a wide difference both in the nature of tariffs and in the commodities covered under tariffs.

It is important to observe that tariffs may be for revenue purposes or for protective purposes. It is obvious that what we are discussing now is protection or lack of protection of the American market, rather than the collection of revenue. It is important also that we note the differences between commodities. Some commodities are the fit subjects for tariff protection. Others need no protection and should have no protection. Thus, for example, we have:

(a) Commodities which we do not grow or produce at home but which other nations do grow and produce, and which we desire to have imported into America. Such commodities are tea, coffee, tin, spices, and so forth. There is no question that a tariff on such commodities is unnecessary and undesirable.

Then there are:

(b) Certain commodities which we produce and manufacture but which we consume more of than can be supplied by our domestic producers. A reasonable importation of such goods will not result in depreciating the market price in America. To maintain a low tariff on these products is also to engage in a healthy economic adventure.

Then:

(c) There are other commodities such as rubber, which are necessary for our national defense and which, prior to the war, we did not produce at home, but the production of which we recently entered into during the war. These commodities offer a very fit subject for tariff protection for purposes of national defense.

Then, lastly:

(d) There are regular consumer commodities which are not vital to our national defense, but which compete directly with American products, and would undersell them in our home market unless we protected them with a sufficiently high tariff.

In the light of these various classifications of commodities, we must take action appropriate to each of them. No single generalization in tariff policy will suffice for all of them. We must bear each category in mind, and must make our decisions accordingly.

Fifth. America's great market is her home market.

Let us never forget that our green pastures are here at home, rather than abroad. Let us not sell short the American market, the greatest in the world, for the sake of securing unstable foreign markets abroad. In the course of committee discussions, Department of Commerce experts said that they hoped for an annual export trade of $10,000,000,000. However, they hoped for a total national income of $170,000,000,000. Thus, the total exports would amount to only one-seventeenth of the total national income. And let us remember that that $10,000,000,000 figure is regarded by many persons as a fantastically high estimate. Let us remember that in the period between 1933 and 1940 all the exported products of our 9,000,000 business units—6,000,000 agricultural and 3,000,000 nonagricultural—amounted to less than 5 percent of our national income.

Sixth. The actual results of the reciprocal Trade Agreements Act to date are not yet conclusively established.

It is obvious to all that the reciprocal trade agreements have not had a fair trial. They had only five unstable peacetime years between 1934 and 1939 to be tested. We have all seen conflicting statistics as to their results. If any conclusions may be accepted as to the true story of those statistics, I believe they show that our Reciprocal Trade Agreements Act actually adversely affected our foreign trade. I shall submit a few proofs of this.

America's trade recovery after the depression was very slow as compared to that of other nations. In 1938, the last full year of peace, the United States ranked fourteenth among the leading nations of the world in point of recovery in gold value of exports, as compared to their and our 1929 trade figures. In 1939 our farm exports were lower than those of 1932, in the depth of the depression. But our farm imports were greater in

1939 than they were in 1932. Who, then, can lay any claim that our reciprocal trade agreements have substantially helped the farmer? Is not a conclusion justified that the exact opposite effect might have obtained?

Mr. President, there have been men in high places who are going to have much to do with these tariffs, who have the cockeyed notion that the Smoot-Hawley tariff caused the depression, when, if they had looked up the history of the period, they would have seen that the depression was under way throughout the world and in the United States, when all the forces in the United States which tried to keep something for America built the Smoot-Hawley tariff. Yet these men are going to have to do with the so-called free trade of the world. Do Senators wonder why I hesitate to vote to delegate more power, when I see the way their brains work, when I see that when we try to reason with them they flare up and go cockeyed?

Mr. President, we are dealing with American values, the most precious things in life. I heard the next Attorney General say today, "I have a wife and two children. I will do my duty." It was a challenge to all of us to do our duty.

Seventh. It is established, however, that the tariff did not cause the world-wide depression.

The Smoot-Hawley tariff of 1930, the highest in our history, was passed on June 17 of that year. We were already in the midst of the depression. This tariff was thus the result of the depression rather than its cause. It was a symptom of America's desire to protect her remaining domestic employment. The erection of tariffs by other nations at that time were symptoms and/or results of the depression just as their currency depreciation, their discriminatory measures, and all the other devices in which they engaged were also symptoms and/or results of the depression. If anything, our tariff served to lessen the harmful effects of the depression and prevent further factory closings and unemployment which might have resulted from the continued importation of goods without substantial tariff barriers in the way.

Eighth. It is established that the tariff, rather than a breeder of wars, actually may serve to prevent wars.

Mr. President, that is another statement made by one of the men who are going to have much to do with the policy of postwar international trade. It is as plain as the nose on one's face that what we are entering into here, and what the Government is becoming a party to, is an international war for the trade of the world, and we cannot sit down in one of our committees and hear these men talk without coming to that conclusion.

In the course of committee cross-examination, it was charged that in asking for a reasonable protection of the American market I was promoting a third world war. I think that the facts justify exactly the opposite conclusion. It is that those who favor America's flooding the world with her goods are actually encouraging a third world war.

I know something about history; I know something about the wars of the eighteenth century beween European governments. They were wars for trade, they were wars for expanded trade, for dominion, for continents, and anyone who is familiar with the history of the last 10 or 15 years knows that what we had then was an economic war, that cartels, that depreciated currency, that every utility conceived by the ingenuity of the human mind, was brought into action.

As was said by the Senator from Ohio, the importance of foreign trade is much overstated. Some of us can see—and it was stated before one of our committees—that we had to have an income of $170,000,000,000, and that it was figured that the total import and export trade should be $10,000,000,000. My mathematics are not so good just now, but I should say that that would be less than 5 percent, and in the computation exports and imports are taken into consideration, and figures were given by the Senator from Ohio today showing that 65 percent of the imports come in free of duty.

When the war is over we are going to contribute largely to the purchasing power of Europe through tourist trade, we are going to sink our millions, as we have in the past; then we are going to put Bretton Woods into it; then we are going to put the Export-Import Bank into it; then we are going to originate in Congress, as insurance, other instrumentalities to protect trade. Then it is said the Government should have extra tools—we who hold all the chips. No, I do not want to place too big a tool into the hands of those who have the cockeyed notions that this reciprocal trade business is 99 percent American trade.

Mr. President, I know the lesson of the past. I know how trade wars in goods have led to military wars in blood. Recently an article in a prominent magazine was entitled "An Export Boom May Cause Another War." America, with only 6 percent of the world's population, has normally had about 15 percent of the world's trade. How much more do we expect to take over of world trade?

After President Roosevelt had said that we were going to employ 60,000,000 men by going into the export trade, do Senators remember that a prominent Englishman rose on the floor of the British Parliament, just a few months ago, and said, "That means unemployment in Britain"? Yet some talk here about unity. Did Senators read the address General Eisenhower delivered yesterday? It was not a unity of dollars or trade that he spoke of. It was a unity of ideas, a unity of heart and soul and mind, and when we take away from Britain and cause unemployment among her men and women, are we making for peace? As I have said, there is much cockeyed reasoning about this whole matter.

Unemployment, depression, lowered standards of living, cause desperation in a people, and encourage their resort to military aggression.

Ninth. We do not as yet know the postwar international trade picture.

We know neither the trade picture nor the compact picture. The delegates have not yet had their plenary conference in San Francisco. We do not know what will come out of it. We do not know the social picture. We do not know what revolutions will result in Europe because of undernourishment of the people. We do not know about that.

It is obvious that vast, dynamic changes are occurring every day in the world-trade picture. Right now the nations of Europe are prostrate. They offer a vast market for our goods. They are of themselves unable successfully to compete with us. But in a short time—who knows how long—those nations, we trust, will be back on their feet again.

Did Senators read the statement a few days ago of a German industrialist, that within a matter of 60 days they could put the Ruhr back into production? It was said it was impossible, and now we are taking possession and are not going to let them return to production. But suppose they should. We are talking about imponderables of the future.

When the European nations somewhat recover, they will be able to compete with us. Will we by then have so over-expanded our export industries that we will let ourselves in for a colossal let-down? In the meantime, what will be the effect of aid rendered to foreign nations by lend-lease funds, by Bretton Woods, by UNRRA, by Export-Import Bank loans? What will be the shape of trading institutions in foreign countries? Will they increasingly resort to government trade organizations, such as Amtorg? Will we find that our private enterprise is competing with government enterprise in other nations which have a monopoly on their export trade? We do not know the answers to these questions. Is it not foolhardy to make any irrevocable plans for our future trade policy? Can we not decide upon that policy for relatively short periods and then renew it or revise it as the needs appear?

Tenth. The great question in tariff policy is how will it be administered.

If we give certain individuals absolute power to take action upon which we do not have to pass, how will they use the power? What special interests will they serve? Have Senators not heard of special interests in government? Will they sell out one segment at the insistence of another? The human mind is a queer contraption. Individuals are not always conscientious trustees of public affairs. I am not a pessimist, but for 6½ years I have been in Washington, and have seen many things take place. My obligation is to protect the economic life of America within the scope of the constitutional powers delegated to me.

As with all other Government affairs, management will play a crucial role in the realization of our trade objectives. If we give the authority to the President to revise our tariffs downward as well as upward, and if that authority through necessity is redelegated by the President to the State Department, and if some square peg in a round hole in that Department makes a downward reduction which because of the unconditional most-favored-nation principle multiplies the

reduction manyfold, among many nations, catastrophe will result. Cheap goods will flood into America, factories will close and workers will lose their jobs. Obviously, we must only have the finest type of personnel to exercise our tariff-making powers. Obviously, we need men who will look out for the best interests of America while encouraging reasonable trade with the rest of the world.

Mr. President, if I wanted to be unfair I could draw a comparison between 1930, when we passed this law, and 1939, when the war opened, and I could show the Senate that there were, in the case of some dairy products, imports from abroad, when I as a farmer received as little as 99 cents a hundred pounds for milk. I cannot definitely say that the low price I received was due to the imports of dairy products; but I know that New Zealand butter is waiting to come in, and I know that foreign cheeses are ready to come in, and I know that the lifeblood of my State is dependent upon what the soil produces. Fifty percent of my State is engaged in industry. My State produces 56 percent of the cheese made in this country. In the production of butter it is second among all the States of the Union. It produces more milk than any other State. But if we permit the impact to be made upon our America of imports such as can readily be contemplated, oleo, for example, the importation of which is now being manipulated, we can easily imagine what will happen. Senators know that because of the number of points required to obtain it, much butter is becoming rancid. People want butter. Who is manipulating that? Who is making it possible to thwart the people's desire for this great food, the greatest food in the world, if you please—butter, together with milk and cheese? People are not getting butter, and the market is being flooded with a synthetic product, which is being advertised everywhere. Who is agitating in favor of coloring this product so it will look like butter? Mr. President, when we consider this, let no one say there are no special interests.

There is one further argument I should like to make, but I shall do no more than touch upon it. Much of the clamor for this policy we are discussing today has come from individuals and corporations which already possess—listen to this Senators—ironclad protection from foreign imports through means of import quotas. I have not as yet heard the question of import quotas discussed on the floor of the Senate. They limit competition. Yet there are some who would turn this power over to a Government agent downtown who could sabotage the great industries and the industrial life of America. Import quotas obtain, for example, in the case of cotton and tobacco.

It is small wonder that this clamor comes therefore from certain groups? Yet the very fact that they themselves have protection in the form of quotas is proof that protection is necessary for others. I do not question their right to have such protection, but I say that other American producers have the right to protection of their goods.

Mr. President, the American market belongs to Americans. In the light of all the previous statements I suggest that if we delegate this power to the President, it be delegated for 1 year only, in view of world conditions. If it cannot be for 1 year, then let it be for 2 years.

On a broader basis, I am in favor of the following propositions:

First. That the Congress by majority vote should have the right to veto any trade treaty which may be negotiated under the act, such right to be exercised within 90 legislative days of its submission.

Mr. President, I do not agree that all the wisdom on this subject is found in a subdivision of the State Department. I have not yet seen any omniscient individuals who know it all; but I have seen many who are, as I call them, segmentists—segment thinkers, men who think only in relation to one piece of pie, whereas there are eight other pieces. So in view of the difficult period in which we now live, dynamic in its possibilities for good or evil to our beloved America, in view of this period so full of change, I believe it would be well for us to keep a hand on the plow.

Second. I believe further that proclaimed reductions in rates should not apply with respect to any country found to be discriminating against the exports of the United States.

Third. I believe also that concessions made by the United States in the period immediately ahead should not be extended to third countries except in return for concessions which the President finds to be reciprocally equal and equivalent. It is as apparent as the nose on one's face that Great Britain is approaching this subject on a bilateral basis, not on a unilateral basis. She recognizes what is ahead.

Fourth. That the importation of certain products, materials, and items certified to be essential to the national defense by the Joint Chiefs of Staff of the Army and the Navy shall be limited by a quota in order to preserve and maintain those industries in the United States which are essential to our national defense.

Mr. President, I have about concluded. I think that ahead we are facing difficult times. During periods when we face challenges so important to the future welfare of the Nation, we of the Congress must be very careful, when we delegate constitutional power, not to sabotage the system known as checks and balances in government. To me that is very important. My own State produces zinc, cheese, flax, and corn. Wisconsin, which is 50-percent industrial, is developing industries it did not have before, which have arisen out of the war.

In conclusion, Mr. President, remember that these reciprocal treaties must not be entered into if they will operate to sabotage the ingenuity of the American people which has come into being since Pearl Harbor. We have done the impossible. We will continue to do so. We have gone into synthetics. We are going into the new science of electronics. We must not make it impossible, by reciprocal agreements, for our people, through their industry, courage, and ability, to develop our manufacturing.

Around the corner there is peace or war. I believe that America should be made as strong economically, as strong militarily, and as strong politically as it is humanly possible to make it. I believe that only in that way can America become the real lighthouse of the world, with its gleams of light radiating through the nations of the earth. Peace will then come. If we weaken American industry we do not help the world. All the world is looking to us, not simply for the dollar but to see whether, in peace, the American idea will stand as it stood in war; whether or not in peace, collectivist or totalitarian ideas which have come out of Europe can overcome the American idea. A healthy America will permit the American idea to remain supreme.

COST OF PRODUCTION FORMULA AS APPLIED TO AGRICULTURAL PRODUCTS — THE WHERRY AMENDMENT

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an extract from the CONGRESSIONAL RECORD, April 12, 1933, being pages 1551 and 1552, containing a statement by the then Secretary of Agriculture, Mr. Wallace, in opposition to the application of the principle of the cost-of-production program, which was covered by the Wherry amendment a day or two ago.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

Mr. BANKHEAD. Mr. President, if the Senator from Michigan will yield, I shall be glad to send to the desk and have read a statement which Secretary Wallace has sent to me.

Mr. VANDENBERG. Let it be read, Mr. President.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The legislative clerk read as follows:

"COST OF PRODUCTION AND FAIR EXCHANGE VALUE

"I find there is much misunderstanding about the meaning of the terms "cost of production" and "fair exchange value" as used in this bill. Cost of production means so many different things to different people. There are some who today say that the cost of producing a bushel of wheat is $1.50, whereas others say that it is only 40 cents, and perhaps both are right.

"The Department of Agriculture in June of 1932 published figures indicating that for the year of 1931, the cost of producing a bushel of wheat in the United States was 81 cents. This figure was an average of 2,930 individual farm reports, and, undoubtedly, some of these farmers reported average costs of more than $2 a bushel, whereas others reported costs of less than 40 cents. The question I would raise is, "Is it fair to take the average cost?" If so, let us project this figures of 81 cents for 1931 into the present situation.

"Land values and labor values today are both less than three-fourths of what they were in 1931. If the yield this year were the same as in 1931, it is probable that the methods employed by the United States Department of Agriculture would give the cost of producing wheat in 1933 as very little more than 60 cents a bushel.

"Figuring the cost of producing cotton in the same way, we get for the year 1933, assuming an average crop, a cost of around 8 cents a pound. In like manner with hogs—if we assume the cost of corn at 20 cents a bushel, man labor at 15 cents an hour, and horse

labor at 10 cents an hour—we get a cost per hundredweight, according to competent authorities, of around $2.65 a hundred. These figures, as just cited, are cost of production according to the definition as hitherto customarily employed in the Department of Agriculture.

"Frankly, I believe that cost of production, when used as a measuring stick under conditions as they exist today, might do a very real injustice to the farmer. Cost of production, in the sense in which it is ordinarily used, is likely to have written into it a terribly deflated land charge, man labor at 15 cents or less per hour, and horse labor based on unfairly low-priced corn, oats, and hay. The cost of producing hogs which I have given above illustrates what I mean. Everyone knows that if the farmer grows the corn which he feeds to his hogs, it is impossible to produce hogs at $2.65 a hundred. If the farmer buys his corn, however, it may be possible. How can you distinguish between the farmer who grows the corn which he feeds his hogs and the farmer who buys his corn?

"Secretary Wallace in 1920, in his book, Agricultural Prices, wrote as follows concerning the theory of cost of production and ratio price:

" 'Those who have given the most thought to price fixing, advocate as a guide "cost of production plus a reasonable profit." But what is cost of production? Even in industries so well controlled by man as coal mining, where the weather does not enter in, there are some mines that can produce a ton of coal for $2 or $3, while other mines cannot produce a ton of coal for less than $6 or $7. The North Dakota wheat farmer, in a year of rust, may produce wheat at a cost of $4 or $5 a bushel, whereas the Kansas farmer the same year may produce wheat at a cost of only a dollar or a dollar and a half per bushel. Shall both the Dakota farmer and the Kansas farmer be paid cost of production plus a reasonable profit for their wheat? From this standpoint we see that there is no such thing as a standard cost of production. A single producer may be able to determine his personal cost of production of a given quantity under a given set of conditions. But in the general sense, as it is commonly thought of, cost of production is a will-o'-the-wisp, a creature that seems to exist but really does not.

" 'Nevertheless, there is a rough-and-ready method of determining cost of production or just price as distinguished from laissez faire or supply-and-demand price. We refer to the ratio method of price determination. Over any long period of years hogs sell on the Chicago market at a price per hundredweight equal to the Chicago price of 11.5 bushels of corn. When hogs have sold for 14 bushels of corn, they have sold for more than cost of production plus a reasonable profit, while on the other hand when they have sold for 9 bushels of corn, they have sold for less than cost of production plus a reasonable profit. All this is not saying that certain producers have not been able to make a profit when hogs have sold for 9 bushels of corn. Neither is it saying that certain producers may not have been selling at a loss when hogs sold for as much as 14 bushels of corn. It is simply saying that it has required the pulling power of a price for hogs which is equal to the price of 11.5 bushels of corn to keep enough men in the bog business year in and year out to supply the demand of this country for hog products during the past 60 years. This is what we mean by the ratio method of price determination. It is the only practical method of determining cost of production in such a business as farming, where there are millions of producers working under a variety of conditions.'

"The ratio price as described by Secretary Wallace is similar in philosophy to fair exchange value, as described in this bill. The difference is that fair exchange value concerns itself with a ratio between the price of certain basic agricultural products and the price of things which farmers buy. Secretary Wallace said in the statement which I have just quoted: 'It has required the pulling power of a price for hogs which is equal to the price of 11.5 bushels of corn to keep enough men in the hog business year in and year out to supply the demand of this country for hog products during the past 60 years.'

"In like manner I say that in the long run there must be paid a fair exchange value for farm products in order to result in the production of enough food to keep people from starving to death in this country. I make this statement advisedly, realizing that a whole generation of farmers may produce food for far less than a fair exchange value before they and their children finally give up in despair. We do not wish the answer of brute nature red in claw and fang. To avoid such an outcome, we want to get true cost of production to our farmers as rapidly as conditions will permit. That is the object of this bill. I believe the true cost of production is fair exchange value as defined in this bill. Frankly, I am afraid of the term 'cost of production' as used in part 3 of this bill. It is too elusive; there are too many kinds of cost of production. It would be possible for a Secretary of Agriculture equipped with one set of prejudices to do a grave injustice in this part of the bill to the farmers, whereas another Secretary of Agriculture, with a different set of prejudices, might do a grave injustice to the consumers.

"What we want is the conception of a just price which maintains an even balance between producers and consumers. Fair exchange value, as defined in part 2 of this bill, is a mathematical effort to define such just price. I am willing to admit, of course, that the price ratio between the things which farmers sold in the prewar period and the things which farmers bought may not necessarily represent in all particulars a fair exchange value today. It may be said on the one hand that the use of combines today makes it possible to produce wheat for a somewhat lower price than fair exchange value calculated in this way would indicate. On the other hand, it may be said that the impoverishment of our soil which has taken place may render necessary an increased use of fertilizer which would cause the true fair exchange value to vary in the opposite direction.

"These niceties of ratio-price determination cannot be gone into a time of emergency like this. I believe that the fair exchange value as set forth in this bill approximates very closely to true cost of production and that it is essentially much closer to true cost of production than the figures printed annually by the United States Department of Agriculture. These figures, unfortunately, have written into them the depression in land values and hired farm labor of the year preceding. They have written into them the results of the unbalanced situation which has been with us so long. We are now striving for a state of true balance, and the concept of the fair exchange value will help us to realize that state."

Mr. VANDENBERG. Mr. President, may I inquire of the Senator from Alabama who is the author of this treatise which has just been read? No name was announced at the desk.

Mr. BANKHEAD. It is a statement that has been sent up, written by Secretary Wallace.

THE OREGON LAMB PROBLEM

Mr. MORSE. Mr. President, a few days ago, on behalf of the senior Senator from Oregon [Mr. CORDON] and myself, I offered for the RECORD a telegram of May 30 sent to Mr. Chester Bowles, head of the OPA, dealing with the Oregon lamb problem. On June 12, Mr. Bowles finally got around to writing me a letter in answer to my urgent telegram of May 30. I have his letter, and I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF PRICE ADMINISTRATION,
Washington, D. C., June 12, 1945.

The Honorable Senator WAYNE MORSE,
United States Senate,
Washington, D. C.

DEAR SENATOR MORSE: This is written with reference to your telegram in which you discuss the lamb situation in Oregon and in which you make the request for both yourself and Senator GUY CORDON for a report on the steps taken by the Office of Price Administration to deal with the problem.

I understand that you have had some conversations with Mr. Arval Erickson, Chief, Meat Branch of the Food Price Division, and that he has passed on to you the information and reports both this agency and the War Food Administration have received regarding the marketing of lamb in Oregon and Washington. You probably know, too, that representatives of the Office of Price Administration are meeting with lamb producers in Chicago this week. Upon their return I am sure that Mr. Erickson will again contact you and report any steps that the Government feels may be necessary to deal with any problem that exists at this time.

Apparently, on the basis of reports on the situation as of the past week end, there was no evidence that the general public interest would be served by allowing lamb to be consumed point free in that area at this time. However, if markets do become conjested I am confident that the Government will take such steps as may be necessary to solve the problem in the best interest of producers and consumers.

Your understanding of the difficulties this agency faces in dealing with the meat problem is very much appreciated.

Sincerely yours,

CHESTER BOWLES,
Administrator.

Mr. MORSE. Mr. President, of course the letter is totally unsatisfactory. It constitutes a report of delay. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks my reply to Mr. Bowles as of this date.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON EDUCATION AND LABOR,
June 13, 1945.

Mr. CHESTER BOWLES,
Administrator, Office of Price Administration, Washington, D. C.

DEAR MR. BOWLES: In reply to your letter of June 12, 1945 (file reference 7041), I wish to state that I had a conference yesterday, June 12, with Mr. Erickson and Mr. Bosch, who informed me that discussions were being carried on between OPA and the WFA in regard to the Oregon lamb problem. They expressed the view that they were confident that a market would be found for Oregon lamb, either through Government buying or by way of other Government help in a manner which would protect the interest of the producers. They gave me the reasons as to why OPA, at least at the present time, does not believe that an attempt should be made to solve the

problem by way of lifting ration points as was done late in the season last year.

I do not agree that it would be a mistake to lift the rationing points on lamb in the Northwest section of the country, especially if the alternative is meat spoilage and waste and unjustifiable loss to the producers of lamb. If, on the other hand, the matter can be handled through Government purchases, or by carrying out of any of the other suggestions which Mr. Erickson and Mr. Bosch mentioned to me in the conference in my office yesterday, then I can see the desirability of handling it in that way rather than by lifting the ration points. I agree that to the extent possible the rationing program should be uniform throughout the country, but at the same time I do not think we should make a fetish or a sacred cow out of the principle of uniformity of policy in rationing. If, by lifting ration points on any particular consumer product, we can prevent waste and spoilage and, if that is the only feasible way of preventing that waste and spoilage, then I think it is only a matter of common sense to lift the ration points for whatever period of time may be necessary to prevent such economic and food loss.

I told Mr. Erickson and Mr. Bosch that as soon as OPA and WFA decided upon the program that was to be followed in endeavoring to solve the problem, I would appreciate receiving a written memorandum which I could use in answering the many letters and telegrams which I have received, and will continue to receive, from my State in regard to this critical matter. I also told them that, in the meantime, I intended to press for a very early solution of the problem because I consider it my public duty to do everything I can to prevent OPA from injuring unnecessarily, for the third lamb-marketing season, the lamb producers of my State. This is a problem which simply must be solved in fairness to the producers of these lambs, as well as in fairness to the consumers, and I can see no justification for any further delay in the matter.

It is a problem which your organization knew would present itself again this season, as it has the past two seasons. It is a problem which Senator CORDON and I discussed with the heads of your organization several times since the convening of this Congress and finally, when it was obvious that we were not getting anywhere with it so far as the OPA was concerned, I sent you my wire of May 30, to which your letter of June 12, is in answer.

I sincerely hope and trust that within the next few days this very troublesome problem will be handled in a satisfactory manner by your organization.

Sincerely yours.

Mr. MORSE. Mr. President, yesterday afternoon Mr. Bowles sent two representatives of his organization to my office to discuss with me the steps contemplated by the OPA with regard to the Oregon lamb problem. I told those gentlemen, as I told Mr. Bowles in my letter today, that when they reach some decision I would appreciate it if they would give me a written memorandum which I can use in meeting the objections which are flooding me from my State in protest of the continuation of this very serious wrong on the part of OPA in regard to the Oregon lamb problem.

Mr. President, I intend from time to time to continue to focus the attention of the Senate on this problem, because it is an excellent example of the type of inefficiency and public disservice which, in my opinion, characterizes the program of OPA in handling the meat problems of this country. I for one intend to continue to raise my voice in protest until OPA takes the necessary action to see to it that the livestock producers in my State, who are producing lambs about which I have spoken in the past, are done justice, and not wrong by the OPA.

I wish to point out that there is no rationalization that Mr. Bowles can present in justification of the delay, because it involves a problem which is 2 years old. As I previously stated, for 2 years this great injustice has been perpetrated upon the lamb producers of my State. The OPA has had months of notice. Since the beginning of this year the distinguished senior Senator from Oregon and I have continued to serve notice on OPA that we want action in regard to this matter.

At the risk of boring my colleagues in the Senate, let me say that I think it is the public duty of the Members of the Senate to acquaint themselves with this example, because I think it is a typical example of the many instances of inefficiency and wrong being committed on the American consumer by OPA.

In closing, I repeat that I yield to no other Member of the Senate when it comes to supporting the statutory objectives of OPA. I believe it to be my duty, in support of those statutory objectives, to see that the administrative abuses of OPA are corrected. If Senators on the other side of the aisle cannot take the necessary steps to see to it that Mr. Bowles corrects those abuses, I shall continue periodically to rise on the floor of the Senate and point them out. I shall continue to protest until this administration takes some effective action to see to it that the administration of OPA is improved in the interest of the American people.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

CONFIRMATION OF NOMINATION OF WILLIAM D. PAWLEY TO BE AMBASSADOR TO PERU

Mr. GEORGE. Mr. President, if no other Senator desires to address the Senate this afternoon, as in executive session, I wish to submit a unanimous consent request. I have conferred with the Senator from Maine [Mr. WHITE], the minority leader.

I ask unanimous consent, as in executive session, for the present consideration of the nomination of William D. Pawley to be ambassador to Peru, which nomination was reported favorably earlier in the day by the Committee on Foreign Relations.

Mr. WHITE. Mr. President, as I understand, this nomination was reported earlier in the day. Under ordinary circumstances it would go over until tomorrow. However, I believe that there are circumstances of some urgency which make it desirable that this nominee reach his post at the earliest possible moment. I therefore hope that the request of the Senator from Georgia will be favorably acted upon.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Georgia? The Chair hears none. The nomination will be stated for the information of the Senate.

The legislative clerk read the nomination of William D. Pawley to be ambassador Extraordinary and Plenipotentiary of the United States to Peru.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. GEORGE. I ask that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

NOMINATION OF MONNETT B. DAVIS TO BE MINISTER TO DENMARK

Mr. JOHNSON of Colorado. Mr. President, in executive session on June 7, the nomination of Mr. Monnett B. Davis to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Denmark was confirmed. At that time I overlooked the opportunity which that confirmation gave me to say a word in behalf of Mr. Davis. I now ask unanimous consent, as in executive session, to have printed in the RECORD at this point as a part of my remarks a brief statement in that connection.

Mr. GEORGE. Mr. President, I have no objection; but I will say to the Senator from Colorado that the secretary of the Committee on Foreign Relations advises me that the Colorado Senators were consulted, and approved the nomination.

Mr. JOHNSON of Colorado. That is correct, but I overlooked the opportunity at that time to say a few words in behalf of Mr. Davis.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The President, the Senate, and the country are to be congratulated upon the confirmation on June 7, of the nomination of Monnett Bain Davis to be Minister to Denmark.

Mr. Davis earned his promotion the hard way. He is not a fat cat playboy who made a sizable contribution to a political campaign. He entered the Foreign Service at the close of the last war and advanced step by step through the years to the high office of Envoy Extraordinary and Minister Plenepotentiary to Denmark. The responsibility of reestablishing our long and friendly economic and cultural relations with Denmark and the Danish colony of Greenland is now his.

Mr. Davis graduated from the University of Colorado in 1917, and was a member of the Colorado National Guard when we entered World War I. Colorado is proud of him and wishes him well in his new task.

RECESS

Mr. GEORGE. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 21 minutes p. m.) the Senate

took a recess until tomorrow, Thursday, June 14, 1945, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 13 (legislative day of June 4), 1945:

FEDERAL COMMUNICATIONS COMMISSION

William Henry Wills, of Vermont, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1945, vice Norman S. Case, term expired.

COLLECTOR OF CUSTOMS

Harry M. Durning, of New York, to be collector of customs for customs collection district No. 10, with headquarters at New York, N. Y. (Reappointment.)

UNITED STATES MARSHALS

John E. Sloan, of Pennsylvania, to be United States marshal for the western district of Pennsylvania. Mr. Sloan is now serving in this office under an appointment which expired March 29, 1944.

Henry Robert Bell, of Tennessee, to be United States marshal for the eastern district of Tennessee. Mr. Bell is now serving in this office under an appointment which expired May 17, 1945.

John S. Denise, Sr., of Washington, to be United States marshal for the western district of Washington, vice Herbert W. Algeo, resigned.

UNITED STATES PUBLIC HEALTH SERVICE

The following-named candidates for appointment in the Regular Corps of the United States Public Health Service:

TO BE SURGEONS EFFECTIVE DATE OF OATH OF OFFICE

Norvin C. Kiefer	Myron D. Miller
George L. Fite	Arthur W. Newitt

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

James W. Moffitt, Guadalupe, Calif., in place of Corinne Dolcini, resigned.

Eva B. Wood, Newhall, Calif., in place of L. O. Duchene, resigned.

CONNECTICUT

Carl J. Lauretti, Farmington, Conn., in place of T. H. Collins, deceased.

INDIANA

Jacob C. Fleck, Cedar Lake, Ind., in place of Emma Knesek, resigned.

KENTUCKY

Marian C. Harned, Boston, Ky. Office became Presidential July 1, 1944.

MAINE

George M. Evans, Sherman Mills, Maine, in place of P. B. Seavey, transferred.

MARYLAND

Laura E. Linkins, Cabin John, Md. Office became Presidential July 1, 1943.

MISSOURI

John E. White, Hunnewell, Mo. Office became Presidential July 1, 1944.

NEW YORK

Lester J. Williams, Canastota, N. Y., in place of D. A. Lewis, deceased.

OHIO

Katherine Matson, Maynard, Ohio. Office became Presidential July 1, 1943.

TENNESSEE

Richard M. Morelock, Persia, Tenn. Office became Presidential July 1, 1944.

Emma Anderson, Unicoi, Tenn. Office became Presidential July 1, 1943.

TEXAS

Elbert W. Franklin, Floresville, Tex., in place of B. T. McDaniel, transferred.

WEST VIRGINIA

Ina Knapp, Cedar Grove, W. Va., in place of C. A. Skaggs, deceased.

CONFIRMATION

Executive nomination confirmed by the Senate June 13 (legislative day of June 4), 1945:

FOREIGN SERVICE

William D. Pawley to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Peru.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 13, 1945

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Blessed be the name of the Lord our God who inspires to clearer vision with broader sympathies and larger achievements. Keep us as a people in the vanguard of the upward movements toward the final triumph of good over evil, in proud submission to Thy holy will, facing a glorious destiny among the nations of the world.

Holy Spirit, restore unto us something of our birthright and grant that sorrows which surged about us may be assuaged; bestow upon us blessings of patience, filled with divine longings that move the soul and impart comfort and cheer to every care-shadowed life. Do Thou have compassion upon any who may be burdened, whose doubts and fears are greater than their joys. Through discipline and limitations do Thou increase our strength in all those virtues that make us better men and women, and we shall praise Thee in all our works. In the name of our Redeemer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 830. An act to provide for designation of the United States Veterans' Administration hospital at Sioux Falls, S. Dak., as the Royal C. Johnson Veterans' Hospital.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3306. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1946, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. O'MAHONEY, Mr. GLASS, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BILBO, Mr. BURTON, Mr. BALL, and Mr. WILLIS to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. ROBERTSON of Virginia asked and was given permission to extend his remarks in the RECORD explaining briefly the provisions of three bills which he introduced today dealing with the national program of wildlife conservation.

Mr. HEDRICK asked and was given permission to print in the RECORD an editorial from the Charleston Gazette, of Charleston, W. Va.

GOLD-MINING INDUSTRY OF AMERICA

Mr. BUNKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nevada?

There was no objection.

Mr. BUNKER. Mr. Speaker, no branch of our economy has made a greater contribution to the war effort than the mining industry of America.

And, paradoxically, no government in the world has dealt more harshly with its own gold miners than our country.

Under the terms of a War Production Board Order L–208, gold mining was stopped by the WPB more than 3 years ago.

The result is that today colonial England is the largest producer of gold in the world and Russia has replaced the United States as the second greatest. Gold production is being subsidized by the Canadian Government.

Allied countries all have enjoyed priorities on gold-mining equipment manufactured in the United States during the war, while our own producers have been denied access to the same.

Today our Government is buying South American gold, while our own gold mines disintegrate.

The War Production Board now has under consideration relaxation of its order, L–208.

More than 1,000,000 of our fighting men will be returning in the months just ahead to find employment in private industry; other hundreds of thousands of workers will be released from plants no longer required to win the war.

War manpower shortages can no longer be an argument for continuance of L–208.

It is essential that the barriers against the gold-mining industry be speedily lifted.

Failure at this time to relax the restrictions against gold mining would indicate a designed plan to wreck the gold-mining industry and to debase the value of gold and its utilization in our historically sound monetary structure which has carried us through every crisis of the past 150 years.

Confidence in currency is essential to the well-being of any government and any people. Our people have had that confidence in our currency through every period of stress in the past.

EXTENSION OF REMARKS

Mr. WOODRUM of Virginia asked and was given permission to extend his remarks in the RECORD and include a short editorial.

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include a valedictory address by a constituent at the graduation of the second class of trainees of the Disabled American Veterans at American University.

Mr. BURGIN asked and was given permission to extend his remarks in the RECORD and include an article appearing in the Washington Post.

Mr. LANE asked and was given permission to extend his remarks in the RECORD and include a letter signed by a number of servicemen.

FEPC

Mr. SABATH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. Mr. Speaker, ever since I have had the honor to be chairman of the Committee on Rules, and to undergo the trials and tribulations incident to that position, it has been my sincere aim and policy to vote out rules on bills reported by legislative committees in order to expedite the business of the House. I am pleased to say that I have consistently brought in open rules whereby bills were considered under the 5-minute rule for amendment, and have opposed "gag" or closed rules. I very much regret that, notwithstanding my 3 months' effort, I have been unable to report a rule on H. R. 2232, known as the FEPC bill, to prohibit discrimination in employment because of race, creed, color, national origin, or ancestry.

The bill was reported by the Committee on Labor with only one dissenting vote. In view of the Nation-wide demand for this legislation, as shown by a poll taken by Modern Industry, which disclosed that a vast majority, with the exception of a few States, are not only in favor but strongly urge the enactment of this legislation, I feel that action on this important legislation should be had now. Therefore, in view of the failure of the Committee on Rules to grant a rule to provide for the consideration of the FEPC bill, I shall now sign the discharge petition on the Speaker's table to discharge the Committee on Rules from the further consideration of the resolution for a rule, and I urge all fair-minded Members to do likewise.

The press reports state that four Republican members of the Committee on Rules have voted in favor of the granting of a rule. Consequently, I feel that the other Republican members will sign the discharge petition, especially in view of the pledge contained in the Republican platform, which provides:

> We pledge the establishment by Federal legislation of a permanent Fair Employment Practice Commission.

I do feel that they will comply with the pledge of their platform.

Mr. Speaker, I have stated before that our late President Roosevelt, as well as President Truman, has urged favorable action on this legislation. Consequently, I believe that a majority of the membership of the House, unlike the Committee on Rules, will give the Members the opportunity and right to vote upon the bill.

HON. ROBERT L. DOUGHTON

Mr. LYNCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LYNCH. Mr. Speaker, on yesterday a great honor was accorded one of our colleagues, the chairman of the Committee on Ways and Means, Hon. ROBERT L. DOUGHTON. We had a meeting of our committee yesterday and toward the end of the meeting he silently stole away. We learned later that he had gone to the White House where, in the presence of President Truman, he was awarded the honor and distinction of being designated as the one who had done the most outstanding and effective work during the year in behalf of foreign trade. The award was an oil painting of the steamship *Savannah*, which was the first steamship to cross the Atlantic, and it was symbolic of our two-way trade.

This award was made by the International Economic Council, which, of course, is one of the outstanding organizations developing our foreign trade in the country. In making that award to our distinguished colleague from North Carolina the International Economic Council certainly designated one who is by far superior to all others, in my opinion, in his knowledge of our tariff laws.

His expertness in tariffs and his intimate knowledge of foreign trade were amply demonstrated last week in the long debate on the extension of the Reciprocal Trade Agreements Act.

In honoring our distinguished colleague the International Economic Council paid a high tribue to a really great American.

You will, I am sure, be interested in the official communication to the gentleman from North Carolina [Mr. DOUGHTON] from the International Economic Council, notifying him of his designation. It reads as follows:

JUNE 9, 1945.

HON. ROBERT L. DOUGHTON:

Great pleasure advise you that International Economic Council members have named you winner of this year's award for outstanding advancement nation's overseas trade. Award oil painting of S. S. *Savannah*, first steamship to cross Atlantic and symbol of America's two-way trade. Presentation in President Truman's office Tuesday June 12, 10:45 a. m. Will phone you Monday.

JOSEPH A. JONES,
Director, International Economic Council.

The SPEAKER. The time of the gentleman from New York has expired.

ELECTION TRENDS

Mr. GALLAGHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. GALLAGHER. Mr. Speaker, a short time ago an election was held in Montana. My Republican friends boasted that that showed a trend and showed the sentiment of this Nation. Last Monday an election was held in my home town, the city of Minneapolis. In the last two prior elections a Republican mayor was elected, and in the last election a Republican council.

The Democratic labor forces won by 31,000, and we have a Democratic council. I believe the trend is still with the Roosevelt-Truman forces and will so continue.

The SPEAKER. The time of the gentleman from Minnesota has expired.

THE FEPC

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and include therein an article entitled "The Road to Serfdom."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, we have just heard the gentleman from Illinois [Mr. SABATH] announce that he is going to sign the FEPC petition. I think that will finish it. His will probably be the last signature—it ought to be.

If you want to set up a totalitarian state; if you want a system of real totalitarianism; if you want your people regimented as they are in Russia, or as they were in Germany, then go ahead and sign that petition.

If you want every business in your district run by a few radical bureaucrats here in Washington, then go ahead and sign it.

One of the leading labor leaders came to me yesterday and said, "I believe it would ultimately destroy the labor unions of the Nation and have us all regimented by the Government."

If that is what you want, go ahead and sign under Mr. SABATH's name.

If you want to destroy constitutional government; if you want to be run by a little group set up here in Washington; if you want every business establishment and every farmer regimented by this FEPC group appointed here in Washington, regardless of their ability or interest in your community or the establishments located there, then follow the example of the gentleman from Illinois [Mr. SABATH] and sign right under his name.

The SPEAKER. The time of the gentleman from Mississippi has expired.

ARMY NURSES

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

[Mrs. BOLTON addressed the House. Her remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. ROBERTSON of North Dakota asked and was given permission to extend his remarks in the RECORD and include an editorial dealing with peacetime conscription.

Mr. MERROW asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the New York Times on the dumping of wheat.

Mr. PITTENGER asked and was given permission to extend his remarks in the RECORD and include copies of correspondence and letters.

CORN NOT AVAILABLE FOR STARCH AND SIRUP BUT IS AVAILABLE FOR WHISKY

Mr. HOPE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include therein a letter and a telegram.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

[Mr. HOPE addressed the House. His remarks appear in the Appendix.]

MILK WASTED

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

[Mr. GROSS addressed the House. His remarks appear in the Appendix.]

EXTENSION OF REMARKS

Mr. JUDD asked and was given permission to extend his remarks in the RECORD and to include an editorial.

Mr. MICHENER asked and was given permission to extent his remarks in the RECORD and to include an article appearing in the Courier Journal, Louisville, Ky., concerning the distinguished gentleman from South Dakota [Mr. MUNDT].

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in two instances and include in each a newspaper article.

Mr. BULWINKLE asked and was given permission to extend his remarks in the Appendix of the RECORD and to include excerpts from a speech of Mr. C. Bedell Monro.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and to include an article by Sarah E. Southal, supervisor of employment since 1920 of the International Harvester Co., which article appears in the June issue of the Church Woman.

Mrs. DOUGLAS of Illinois asked and was given permission to extend her remarks in the RECORD and to include a statement concerning OPA made by Mrs. Gerson B. Levy, national chairman of National Council of Jewish Women.

APPROPRIATIONS FOR WAR AGENCIES

Mr. TABER. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, only last week we passed the war agencies bill. Some information came to me yesterday afternoon which on checking appears to be absolutely correct that the War Production Board has a group of employees over here who are working about 50 percent of the time and that they should have been reduced in number earlier.

I have called this matter to the attention of the leaders of the other body and I have called it to the attention of the Bureau of the Budget with the request that the quota for these employees be cut so that that agency may be put upon a business basis. We are going to run into more and more of that sort of thing and it is going to take extreme alertness on the part of the Congress if we are to keep these governmental administrative organizations in hand.

The SPEAKER. The time of the gentleman from New York has expired.

LEAVE OF ABSENCE

Mr. JUDD. Mr. Speaker, on behalf of the gentleman from Indiana, Mr. LAFOLLETTE, I ask unanimous consent that he may be given a leave of absence for this week on account of necessary business.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

SENATE AMENDMENTS TO PRICE CONTROL ACT

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include certain amendments.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

[Mr. JENKINS addressed the House. His remarks appear in the Appendix.]

FAIR EMPLOYMENT PRACTICE COMMITTEE

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. NORTON. Mr. Speaker, I merely wish to advise the House that I accept the challenge of the gentleman from Mississippi [Mr. RANKIN] and can assure him that the petition will be signed, the bill will come to the House for consideration of the Members who do believe in human rights, and despite the undemocratic prejudice of the opposition. It is my considered opinion that the FEPC bill will receive about the same majority as the anti-poll-tax bill received on yesterday.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON (at the request of Mr. THOMASON) was given permission to extend his remarks in the RECORD.

Mr. IZAC asked and was given permission to extend his remarks in the RECORD.

Mr. SASSCER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Washington Post.

Mr. STIGLER asked and was given permission to extend his remarks in the RECORD and include an address delivered by Hon. Robert S. Kerr, Governor of the State of Oklahoma.

GERMAN BUNDISTS

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DICKSTEIN. Mr. Speaker, the Supreme Court of the United States has reversed the conviction of the 24 bundists from New York. I just want to advise the House that the Committee on Immigration and Naturalization has, by resolution, called upon the Department of Justice to take the necessary steps to intern the aliens among the defendants as enemy aliens and to look into the records of the defendants who are citizens to determine whether they should be denaturalized. I am informed that 17 are aliens and 7 of them are citizens. If the records of the so-called American citizens among them should warrant it—and knowing the past activities of the men involved it would not surprise me—we requested that denaturalization proceedings be instituted immediately so that they may be treated the way they deserve it—namely, as enemy aliens who are endangering the welfare and security of our country.

WHISKY HOLIDAY

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I just want to say that I agree completely with what the gentleman from Kansas [Mr. HOPE] said a while ago. It is quite impossible for me to understand the logic of a so-called whisky holiday when products such as corn, which otherwise would go to help relieve the sugar shortage and other types of food shortage, will inevitably be used up in the manufacture of that whisky. I agree with what the gentleman from Kansas said, and feel that his move in this matter is entirely right.

PHILIPPINE UPRISING AND CAMPAIGNS AFTER JUNE 4, 1902, AND PRIOR TO JANUARY 1, 1914

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3251) to extend pension benefits under the laws reenacted by Public Law 269, Seventy-fourth Congress, August 13, 1935, as now or hereafter amended, to certain persons

who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children, for immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman please explain this legislation?

Mr. LESINSKI. This bill covers certain veterans who were engaged in the hostilities in the Moro Province in the Philippine Insurrection after 1902 and up to December 31, 1913. They were not included in the Spanish veterans' pension bill, and all we are doing is bringing them up to that point, giving them the same pension that the Spanish War veterans are getting.

Mr. MARTIN of Massachusetts. There are about 300 of them?

Mr. LESINSKI. Yes.

Mr. MARTIN of Massachusetts. And while thus engaged, were really part of the Philippine Insurrection.

Mr. LESINSKI. Yes. They are the ones who really did all of the jungle fighting.

Mr. MARTN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Will the gentleman yield me 5 minutes?

The SPEAKER. Consent has not yet been granted for consideration of the bill.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. I understood that this was one of the privileged committees that do not have to have unanimous consent to bring legislation to the floor of the House. Am I correct in that?

The SPEAKER. The gentleman asked for unanimous consent in order to save time, and that is the reason the Chair recognized him.

Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That any person who served in any unit of the United States military or naval forces while such unit was engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, who was honorably discharged from the enlistment in which such service occurred, and the surviving unremarried widow, child, or children of such person shall be entitled to pension under the conditions, and at the rates prescribed by the laws reenacted by Public Law 269, Seventy-fourth Congress, August 13, 1935, as now or hereafter amended.

SEC. 2. This act shall be effective from date it is approved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HISTORY OF THE LEGISLATION

Mr. LESINSKI. Mr. Speaker, this bill, H. R. 3251, is similar to bills that have been before the committee for several Congresses last past. After extensive public hearings and executive sessions during the Seventy-eighth Congress, your committee favorably reported H. R. 4099, a bill to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 31, 1913. The bill passed the House and Senate and was disapproved by the President on December 8, 1944. The President's objections to the bill are fully set forth in his veto message, which is House Document No. 804, Seventy-eighth Congress. On the opening day of this Congress I reintroduced a bill which was identical in form with H. R. 4099 of the Seventy-eighth Congress. It was numbered H. R. 128 of this Congress. Your committee held public hearings on H. R. 128 on March 20 and 22. An executive session was held on May 17, at which time a new bill was approved by the committee and ordered reported to the House, which bill is not subject to the objections which were made to H. R. 4099 of last Congress. That new committee bill is H. R. 3251, which was just passed by the House.

PURPOSE OF THE LEGISLATION

This bill has for its purpose the granting of service pensions to a restricted group of veterans and their unremarried widows, child, or children based upon service during hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914. It will provide pensions for those eligible under the conditions and at the rates prescribed by Public Law No. 269 of the Seventy-fourth Congress, approved August 13, 1935, as now or hereafter amended. Such laws pertain to the granting of pensions to veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, their widows and dependents, and include Spanish-American War service pension laws providing pensions on the basis of disability, age, or death—service connection not required—and the general pension laws providing pensions for service-connected disability or death.

The service pension for disability or age will be payable at the following rates:

Service 90 days or more or discharged (service-connected disability)

	Per month
June 2, 1930, 1/10 disability	$20
June 2, 1930. 1/4 disability	25
June 2, 1930. 1/2 disability	35
June 2, 1930. 3/4 disability	50
March 1, 1944. Total disability	75
May 24, 1938. Regular aid and attendance	100
June 2, 1930. Age 62	30
March 1, 1944. Age 65	75

NOTE.—The $75 rate at age 65 years and the $100 rate for regular aid and attendance are now payable under existing law only to persons who served between April 21, 1898, and July 4, 1902. In addition to other persons covered by the bill, those now on the rolls, at lower rates, whose only service was between July 5, 1902, and July 15, 1903, will be eligible for these rates if they meet the service requirements of the bill.

Service 70 days or more but less than 90 days

	Per month
June 2, 1930, 1/10 disability	$12
June 2, 1930. 1/4 disability	15
June 2, 1930. 1/2 disability	18
June 2, 1930. 3/4 disability	24
June 2, 1930. Total disability	30
June 2, 1930. Regular aid and attendance	50
June 2, 1930. Age 62	12
June 2, 1930. Age 68	18
June 2, 1930. Age 72	24
June 2, 1930. Age 75	30

Pension for service-connected disability under the general pension law as reenacted by Public Law No. 269, Seventy-fourth Congress, approved August 13, 1935, at rates ranging from $6.90 to $129.50 per month would be payable to any person who served as described in the bill, irrespective of length of service. By virtue of Public Law No. 359, Seventy-seventh Congress, approved December 19, 1941, any veteran otherwise entitled to pension under the general pension law would be eligible for pension at the rates provided in part I, Veterans Regulation No. 1 (a), as amended, ranging from $11.50 to $265 per month if the conditions of Public Law No. 359, Seventy-seventh Congress, approved December 19, 1941, are met.

Under the Spanish-American War service-pension laws as reenacted, pension is payable to the widow, child, or children of a veteran of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, who served between April 21, 1898, and July 4, 1902, inclusive, and to the former widow whose subsequent or successive marriage or marriages has or have been dissolved either by the death of the husband or husbands or by divorce on any ground except adultery on the part of the wife.

Although service of veterans who served in the Moro Province between July 5, 1902, and July 15, 1903, is pensionable service under such laws, such service is not pensionable service as to their widows, former widows, child, or children under existing law.

Under the bill, the unremarried widow of a veteran who rendered service as described in the bill would be entitled to service pension at the monthly rate of $30, increased to $40 at age 65, and at the monthly rate of $50 if she was the wife of the veteran during the period of his service; and the unremarried widow, with a child or children, would receive in addition to the foregoing rates $6 per month for each child—acts of May 1, 1926, and March 1, 1944. The delimiting marriage date, January 1, 1938, would be for application, also the requirement of continuous cohabitation from date of marriage to date of death except where there was a separation which was due to the misconduct of or procured by the person

who served without the fault of the widow.

The monthly rate for a child, where there is no widow, would be $36 per month to age 16 years, with $6 per month for each additional child, and the rate from age 16 years to 18 years or to age 21 years, if attending school, would be $18 per month for 1 child, $27 per month for 2 children, $36 per month for 3 children, with $4 per month for each additional child, subject to a $74 monthly limitation on the total amount payable—sections 1, 7, Public Law No. 144, Seventy-eighth Congress, approved July 13, 1943; Public Law No. 483, Seventy-eighth Congress, approved December 14, 1944.

Under the general pension law as reenacted, pension is payable for service-connected death to the widow, child or children, dependent mother or dependent father of a veteran of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, who served between April 21, 1898, and July 4, 1902, inclusive, and to the former widow whose subsequent or successive marriage or marriages has or have been dissolved either by the death of the husband or husbands or by divorce on any ground except adultery on the part of the wife. As in the case of service pensions, while the service of veterans who served in the Moro Province between July 5, 1902, and July 15, 1903, is pensionable service under the reenacted general pension laws as to such veterans, it is not pensionable service under such laws as to their widows, former widows, child or children, or dependent parent.

Under the bill the unremarried widow, child or children of a veteran who rendered service as described in the bill would be eligible for pension for service-connected death under the general pension law, as reenacted, at rates ranging from $25 to $30 per month for the widow, with $2 per month additional for each child. Where there is no widow, the widow's rate, $25 to $30 per month, plus $2 per month additional, would be payable for one child, with $2 per month for each additional child, the total being equally divided among the children. If the conditions under Public Law No. 359, Seventy-eighth Congress, approved December 19, 1944, are met, the wartime service-connected death rates would be payable as provided in section 14 (a), Public Law No. 144, Seventy-eighth Congress, approved July 13, 1943, which are as follows:

	Per month
Widow, no child	$50
Widow, 1 child	65
Each additional child	13
No widow, 1 child	25
No widow, 2 children	38
Each additional child	10
Total amount payable	100

Dependent parents are not covered by the bill, as they will continue to receive the more liberal rates provided under part II of Veterans Regulation No. 1 (a), as amended, and where death resulted from combat or extra-hazardous service, the wartime rates provided in such cases.

There is no delimiting marriage date applicable to pensions for service-connected death under the general pension law as reenacted. However, the requirement of continuous cohabitation from date of marriage to date of death, except where there was a separation due to the misconduct of or procured by the person who served without the fault of the widow, would be for application.

THE PHILIPPINE ARCHIPELAGO

Mr. Speaker, for the several Congresses last past your committee has had under consideration legislation which had for its purpose the granting of pensions to those who served during hostilities in certain areas of the Philippine Islands between 1902 and 1913. The committee has received many letters of inquiry as to the boundaries of the areas affected by the proposed legislation, but in which hostilities occurred which were covered by the bills. A great number of these letters were received after H. R. 4099 was introduced last Congress. It was thought by some veterans that because certain islands were not specifically named perhaps they would not benefit under the provisions of the bill. During the hearings on H. R. 4099 of the Seventy-eighth Congress, I received a letter from our colleague the gentleman from Minnesota, Representative HAROLD C. HAGEN, in which it was suggested that perhaps the Pulajane campaigns had been eliminated. I transmitted the letter to General Hines, who rendered a very comprehensive report. I am of the opinion that both the letter from Representative HAGEN and the reply from General Hines, which goes into detail in regard to the Philippine Archipelago and defines the outlying boundaries of the area in question, will be of interest to the Members of the House. It will be noted from General Hines' reply that it would be unnecessary and certainly inadvisable to attempt to specify each island or local area within such outlying boundaries because there would be danger of excluding islands or local areas within the outlying boundaries referred to. The bill, H. R. 3251, of this Congress covers the identical areas as those covered by H. R. 4099 of last Congress.

The letter from Representative HAGEN and the report of General Hines are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 8, 1944.

Hon. JOHN LESINSKI,
Chairman, Committee on Invalid Pensions,
House of Representatives,
Washington, D. C.

DEAR COLLEAGUE: The following is a suggestion which I have received from a Spanish War veteran, relative to your bill, H. R. 4099:

"It should state provinces not province. There are several provinces in those islands named in the bill. Also include both the Moro and Pulajane campaigns.

"I should include all the Philippine Islands, and not restrict this service to any designated territory, as there was lots of fighting, or some at least in most all islands. They seem to be determined to leave out the Pulajane campaigns, for some reason unknown to me."

Any consideration given this suggestion and amendment, if desirable and needed, will be appreciated.

Kindest regards.

Very cordially yours,
HAROLD C. HAGEN,
Member of Congress.

VETERANS' ADMINISTRATION,
Washington, March 16, 1944.

Hon. JOHN LESINSKI,
Chairman, Committee on Invalid Pensions,
House of Representatives,
Washington, D. C.

MY DEAR MR. LESINSKI: Reference is made to your letter dated March 11, 1944, transmitting a letter dated March 8, 1944, received from Congressman HAROLD C. HAGEN, recommending certain proposed changes in H. R. 4099, Seventy-eighth Congress, "A bill to extend the period of the Philippine Insurrection so as to include active service with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, between July 5, 1902, and December 31, 1913," concerning which you desire the views of the Veterans' Administration.

Congressman HAGEN suggests that the word "provinces" be used in the bill in lieu of the word "province" as there are several provinces in the islands named in the bill and that the Moro and Pulajane campaigns should be included. He further suggests that all the Philippine Islands should be included in the bill as there was some fighting in most all of the islands. It appears to be his understanding that the Pulajane campaigns are excluded from the provisions of the bill.

The Philippine Archipelago, which was acquired by the United States under the treaty with the Kingdom of Spain concluded April 11, 1899, comprises numerous provinces lying within the following line:

"A line running from west to east along or near the twentieth parallel of north latitude, and through the middle of the navigable channel of Bachi, from the one hundred and eighteenth to the one hundred and twenty-seventh degree meridian of longitude east of Greenwich, thence along the one hundred and twenty-seventh degree meridian of longitude east of Greenwich to the parallel of latitude 4°45′ N., thence along the parallel of latitude 4°45′ N. to its intersection with the meridian of longitude 119°35′ east of Greenwich, thence along the meridian of longitude 119°35′ east of Greenwich to the parallel of latitude 7°45′ N., thence along the parallel of latitude 7°45′ N. to its intersection with the one hundred and sixteenth degree meridian of longitude east of Greenwich, thence by a direct line to the intersection of the tenth degree parallel of north latitude with the one hundred and eighteenth degree meridian of longitude east of Greenwich, and thence along the one hundred and eighteenth degree meridian of longitude east of Greenwich to the point of beginning."

As previously pointed out in the report on H. R. 4099, dated March 8, 1944, the Philippine Insurrection was declared to be at an end and peace to have been established in all parts of the Philippine Archipelago except in the territory occupied by the Moro Tribes, by the President's proclamation dated July 4, 1902 (32 Stat. 2014). The territory occupied by the Moro Tribes included a number of southern islands in the Philippine Archipelago and is specifically defined by metes and bounds in section 1 of Act No. 787 of the Philippine Commission, "An act providing for the organization and government of the Moro Province," approved June 1, 1903, which reads as follows:

"SECTION 1. All that part of the island of Mindanao and its adjacent islands lying west or south of a boundary line beginning at a point on the north coast of Mindanao at Point Balato, 1 mile west of the western boundary of the barrio of Naburos, thence running due south to the middle of the channel of the Mipangi River, thence along said river to its mouth in Panquil Bay, thence along the south shore of Panquil Bay in an easterly and northeasterly direction to the south shore of Iligan Bay, thence along the

southern and southeastern shore of Iligan Bay in an easterly and northeasterly direction to Salinbal Point, about 7 miles north of the stone pier in Iligan, and thence from Salinbal Point due east to the crest of the watershed dividing the waters which flow into Iligan Bay from those flowing into Macajalar Bay, thence in a southerly direction along the crest of said watershed to the eighth parallel of north latitude, thence east along the eighth parallel of north latitude to the eastern shore of Mindanao, together with the Sulu Archipelago, including the islands known at the Jolo group, the Tawi Tawi group, and all other islands pertaining to the Philippine Archipelago under the sovereignty of the United States of America south of the eighth parallel of north latitude, excepting therefrom the islands of Paragua and of Balabac, and the immediately adjacent islands, but including the island of Cagayan Sulu, shall constitute the Moro Province, and shall be governed as hereinafter provided."

In referring to the Moro Province, comprising the areas above defined, it would seem inaccurate to use the word "provinces," although several provinces of the Philippine Islands may be included within the Moro Province, such as Jolo, part of Mindanao, Sulu, etc.

The purpose of H. R. 1358 and H. R. 1512, and of similar bills introduced in the Seventy-sixth and Seventy-seventh Congresses, was to grant service pension and the same privileges of hospitalization and medical treatment accorded to honorably discharged veterans of the Spanish-American War, Philippine Insurrection, Boxer Rebellion, and World War No. 1 to persons and the dependents of persons who served a required number of days in any military or naval establishment of the United States and who were honorably discharged therefrom when such service or any part thereof was rendered in certain southern islands of the Philippines, viz: Samar, Leyte, Jolo, or Mindanao in those campaigns against the Pulajane or Moro natives or their allied tribesmen between July 16, 1903, and December 31, 1913, recognized by the War Department in the issue of the Philippine Campaign Medal.

In the report to the committee dated July 8, 1943, on H. R. 1358, Seventy-eighth Congress, the service recognized in the issue of the Philippine Campaign Medal is set forth at length. All such service is covered by existing law or H. R. 4099, except that designated in Army Regulations No. 600–65, section I, paragraph 6g (5): "In the field against an enemy in any action in which there were killed or wounded on the side of the United States troops participating." This general provision has no relation to any particular time or particular campaign or expedition in which troops of the United States may have been engaged in hostilities in the Philippine Islands.

Operations between July 5, 1902, and December 31, 1913, against hostile Moros, or their allied tribesmen in the Moro Province, or in that part of Mindanao not included in the Moro Province, and against the Pulajanes in the islands of Samar and Leyte, or against any hostile tribesmen in any of the areas mentioned are covered by H. R. 4099.

As the bill covers all of the area in the Philippine Archipelago in which military or naval forces of the United States are known to have been engaged in hostilities during the period July 5, 1902, to December 31, 1913, and includes both the Moro and Pulajane campaigns, no further modification of the bill in its present form is indicated.

The original letter of Congressman HAGEN is returned.

Very truly yours,

FRANK T. HINES,
Administrator.

ESTIMATE OF COST

There are no records in the Veterans' Administration on which to base an estimate of the cost of the proposed legislation, but it is apparent that the cost will be small as the legislation pertains to a very limited group because of the restrictions, limitations, and the lapse of time since the termination of the period of service involved.

CONCLUSIONS AND RECOMMENDATIONS

Inasmuch as H. R. 3251 has eliminated the objections made to H. R. 4099 of the Seventy-eighth Congress, your committee strongly urges the prompt enactment of this legislation. The bill H. R. 3251, as a substitute for H. R. 128, Seventy-ninth Congress, the latter being identical with H. R. 4099, Seventy-eighth Congress, was adopted after careful consideration by your committee following hearings on H. R. 128, attended by representatives of the various service organizations, the War Department, and the Veterans' Administration. Careful study was given by your committee to the various proposals, including suggestions and recommendations of the Administrator of Veterans' Affairs. In view of the fact that the bill eliminates the objections that were raised in connection with the previous bill, H. R. 4099, Seventy-eighth Congress, and because of the facts outlined, this type of relief is justified.

The bill H. R. 3251 does not extend the official ending date of the Philippine Insurrection, and the facts of record support the granting of the afore-mentioned pension benefits because service in hostilities against the Moros and other hostile tribes during the period covered by the bill was contiguous to and under the same extra-hazardous and trying conditions as during the period now recognized officially as the period of the Philippine Insurrection. Such service was attendant with unusual danger and tropical diseases incident to jungle warfare, with handicaps related to equipment, food, medical care, and maintenance of adequate records of disabilities. It is the opinion of the committee that recognition of this particular service, based upon the extensive testimony of those who served, including those who were responsible for troops during such service, should not be considered as a precedent for groups performing other types of service in the armed forces. It will be noted that the bill recognizes service in hostilities, and the granting of a reasonable pension to this limited group, under the limitations contained in the bill, is considered to be justified on the basis of outstanding merit.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I was very much interested in the gentlewoman from New Jersey stating that the petition for the FEPC bill could be brought out on the floor by the signature of 218 Members. I recall that during the Hoover administration the requirement for that purpose was 145 names. Now, the gentlewoman from New Jersey voted to change that to 218 names, which makes it more difficult to bring these petitions out. I cannot understand why the gentlewoman is criticizing the rules of the House now when she helped to change the rule which now requires 218 signatures when it only required 145 names before during a Republican administration. She and the New Deal voted to require more signatures to a petition to discharge a committee. Why, it does not make sense for her and the chairman of the Rules Committee, the gentleman from Illinois [Mr. SABATH], to complain of the rules of the House. They are two Members who are responsible for the difficulties of bringing a bill on the floor by the signature of 218 Members. "To be sure your sins will find you out."

EXTENSION OF REMARKS

Mr. ADAMS asked and was given permission to extend his remarks in the RECORD and include therein a poem.

Mr. MURDOCK asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein a release from the Department of the Interior.

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD.

Mr. COCHRAN asked and was given permission to extend his remarks in the RECORD and include two short letters.

FEDERAL EMPLOYEES PAY ACT OF 1945

Mr. RAMSPECK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3393) to improve salary and wage administration in the Federal service; to provide pay for overtime and for night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in Federal personnel and to establish personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 3393), with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it be printed in the RECORD and be open to amendment by sections.

Mr. DICKSTEIN. Reserving the right to object, Mr. Chairman, will that give us an opportunity to offer an amendment at any point in the bill?

Mr. RAMSPECK. Yes; amendments can be offered by sections.

Mr. DICKSTEIN. Mr. Chairman, I withdraw my reservation of objection.

Mr. RANKIN. Mr. Chairman, reserving the right to object, it ought to be

understood if this is done, in offering these amendments they ought to take the sections consecutively and not skip all over the bill.

Mr. RAMSPECK. Mr. Chairman, that is the request I have made, that it be in order to offer amendments by sections.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The remainder of the bill is as follows:

COMPENSATORY TIME OFF FOR IRREGULAR OR OCCASIONAL OVERTIME WORK

SEC. 202. (a) The heads of departments, or of independent establishments or agencies, including Government-owned or controlled corporations, and of the District of Columbia municipal government, and the heads of legislative or judicial agencies to which this title applies, may by regulation provide for the granting of compensatory time off from duty, in lieu of overtime compensation for irregular or occasional duty in excess of 48 hours in any regularly scheduled administrative workweek, to those per annum employees requesting such compensatory time off from duty.

(b) The Architect of the Capitol may, in his discretion, grant per annum employees compensatory time off from duty in lieu of overtime compensation for any work in excess of 40 hours in any regularly scheduled administrative workweek.

WAGE BOARD EMPLOYEES

SEC. 203. Employees whose basic rate of compensation is fixed on an annual or monthly basis and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose shall be entitled to overtime pay in accordance with the provisions of section 23 of the act of March 28, 1934 (U. S. C. 1940 ed., title 5, sec. 673). The rate of compensation for each hour of overtime employment of any such employee shall be computed as follows:

(a) If the basic rate of compensation of the employee is fixed on an annual basis, divide such basic rate of compensation by two thousand and eighty and multiply the quotient by one and one-half; and

(b) If the basic rate of compensation of the employee is fixed on a monthly basis, multiply such basic rate of compensation by twelve to derive a basic annual rate of compensation, divide such basic annual rate of compensation by two thousand and eighty, and multiply the quotient by one and one-half.

TITLE III—COMPENSATION FOR NIGHT AND HOLIDAY WORK

NIGHT PAY DIFFERENTIAL

SEC. 301. Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which falls between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian, shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate 10 percent in excess of his basic rate of compensation for duty between other hours: *Provided*, That such differential for night duty shall not be included in computing any overtime compensation to which the officer or employee may be entitled: *And provided further*, That this section shall not operate to modify the provisions of the act of July 1, 1944 (Public Law No. 394, 78th Cong.), or any other law authorizing additional compensation for night work.

COMPENSATION FOR HOLIDAY WORK

SEC. 302. Officers and employees to whom this title applies who are assigned to duty on a holiday designated by Federal statute or Executive order shall be compensated for such duty, excluding periods when they are in leave status, in lieu of their regular pay for that day, at the rate of one and one-half times the regular basic rate of compensation: *Provided*, That extra holiday compensation paid under this section shall not serve to reduce the amount of overtime compensation to which the employee may be entitled under this or any other act during the administrative workweek in which the holiday occurs, but such extra holiday compensation shall not be considered to be a part of the basic compensation for the purpose of computing such overtime compensation. This section shall take effect upon the cessation of hostilities in the present war as proclaimed by the President, or at such earlier time as the Congress by concurrent resolution may prescribe. Prior to so becoming effective, it shall be effective with respect to any designated holiday only if the President has declared that such day shall not be generally a workday in the Federal service.

TITLE IV—AMENDMENTS TO CLASSIFICATION ACT OF 1923, AS AMENDED

ESTABLISHMENT OF RATES FOR CLASSES OF POSITIONS WITHIN GRADES

SEC. 401. Section 3 of the Classification Act of 1923, as amended, is amended by inserting at the end of such section a paragraph reading as follows:

"In subdividing any grade into classes of positions, as provided in the foregoing paragraph, the Civil Service Commission, whenever it deems such action warranted by the nature of the duties and responsibilities of a class of positions in comparison with other classes in the same grade, and in the interests of good administration, is authorized to establish for any such class a minimum rate, which shall be one of the pay rates, but not in excess of the middle rate, of that grade as set forth in section 13 of this Act, as amended. Whenever the Commission shall find that within the same Government organization and at the same location gross inequities exist between basic per annum rates of pay fixed for any class of positions under this Act and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authority serving the same purpose, the Commission is hereby empowered, in order to correct or reduce such inequities, to establish as the minimum rate of pay for such class of positions any rate within the range of pay fixed by this Act for the grade to which such class of positions is allocated. For the purposes of this section the fourth rate of a six-rate grade shall be considered to be the middle rate of that grade. Minimum rates established under this paragraph shall be duly published by regulation and, subject to the foregoing provisions, may be revised from time to time by the Commission. The Commission shall make a report of such actions or revisions with the reasons therefor to Congress at the end of each fiscal year. Actions by the Civil Service Commission under this paragraph shall apply to both the departmental and field services and shall have the force and effect of law."

PERIODIC WITHIN-GRADE SALARY ADVANCEMENTS

SEC. 402. Subsection (b) of section 7 of the Classification Act of 1923, as amended, is amended to read as follows:

"(b) All employees compensated on a per annum basis, and occupying permanent positions within the scope of the compensation schedules fixed by this act, who have not attained the maximum rate of compensation for the grade in which their positions are respectively allocated, shall be advanced in compensation successively to the next higher rate within the grade at the beginning of the next month following the completion of (1) each 12 months of service if such employees are in grades in which the compensation increments are less than $200, or (2) each 18 months of service if such employees are in grades in which the compensation increments are $200 or more, subject to the following conditions:

"(1) That no equivalent increase in compensation from any cause was received during such period, except increase made pursuant to subsection (f) of this section;

"(2) That an employee shall not be advanced unless his current efficiency rating is 'good' or better than 'good';

"(3) That the service and conduct of such employee are certified by the head of the department or agency or such official as he may designate as being otherwise satisfactory; and

"(4) That any employee, (A) who, while serving under permanent, war service, temporary, or any other type of appointment, has left his position to enter the armed forces or the merchant marine, or to comply with a war transfer as defined by the Civil Service Commission, (B) who has been separated under honorable conditions from active duty in the armed forces, or has received a certificate of satisfactory service in the merchant marine, or has a satisfactory record on war transfer, and (C) who, under regulations of the Civil Service Commission or the provisions of any law providing for restoration or reemployment, is restored, reemployed, or reinstated in any position subject to this section, shall upon his return to duty be entitled to within-grade salary advancements without regard to paragraphs (2) and (3) of this subsection, and to credit such service in the armed forces, in the merchant marine, and on war transfer, toward such within-grade salary advancements. As used in this paragraph the term 'service in the merchant marine' shall have the same meaning as when used in the act entitled 'An act to provide reemployment rights for persons who leave their positions to serve in the merchant marine, and for other purposes,' approved June 23, 1943 (U. S. C., 1940 ed., Supp. IV, title 50 App., secs. 1471 to 1475, inclusive)."

REWARDS FOR SUPERIOR ACCOMPLISHMENT; AUTHORIZATION AND LIMITATIONS

SEC. 403. Subsection (f) of section 7 of the Classification Act of 1923, as amended, is amended to read as follows:

"(f) Within the limit of available appropriations, as a reward for superior accomplishment, under standards to be promulgated by the Civil Service Commission, and subject to prior approval by the Civil Service Commission, or delegation of authority as provided in subsection (g), the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection."

REWARDS FOR SUPERIOR ACCOMPLISHMENT; RESPONSIBILITY OF CIVIL SERVICE COMMISSION

SEC. 404. Subsection (g) of section 7 of the Classification Act of 1923, as amended, is amended to read as follows:

"(g) The Civil Service Commission is hereby authorized to issue such regulations as may be necessary for the administration of this section. In such regulations the Commission is hereby empowered, in its discretion, to delegate to the head of any department or agency, or his designated representative, the authority to approve additional within-grade compensation advancements

provided for in subsection (f), without prior approval in individual cases by the Commission. The Commission is also authorized to withdraw or suspend such authority from time to time, whenever post-audit of such actions by the Commission indicates that standards promulgated by the Commission have not been observed."

INCREASE IN BASIC RATES OF COMPENSATION

SEC. 405. (a) Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 20 percent of that part thereof which is not in excess of $1,200 per annum, plus 10 percent of that part thereof which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 5 percent of that part thereof which is in excess of $4,600 per annum. Such augmented rates shall be considered to be the regular basic rates of compensation provided by such section.

(b) (1) The proviso to the fifth paragraph under the heading "Crafts, protective, and custodial service" in section 13 of the Classification Act of 1923, as amended, is hereby amended to read as follows: "*Provided*, That charwomen working part time be paid at the rate of 78 cents an hour, and head charwomen at the rate of 83 cents an hour."

(2) Such section is amended so as to provide the following rates of compensation for positions in the clerical-mechanical service:

Grade 1, 78 to 85 cents an hour.
Grade 2, 91 to 98 cents an hour.
Grade 3, $1.05 to $1.11 an hour.
Grade 4, $1.18 to $1.31 an hour.

(c) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

TITLE V—EMPLOYEES OF LEGISLATIVE AND JUDICIAL BRANCHES

PART I—EMPLOYEES OF THE LEGISLATIVE BRANCH—INCREASE IN RATES OF COMPENSATION

SEC. 501. Each officer and employee in or under the legislative branch to whom this title applies shall be paid additional compensation computed as follows: 20 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 10 percent of that part of such rate which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 5 percent of that part of such rate which is in excess of $4,600 per annum. The additional compensation provided by this section shall be considered a part of the basic compensation of any such officer or employee for the purposes of the Civil Service Retirement Act of May 29, 1930, as amended. The additional compensation provided for by this section and section 502 shall not be taken into account in determining whether any amount expended for clerk hire, or the compensation paid to an officer or employee, is within any limit now prescribed by law.

TEMPORARY ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

SEC 502. During the period beginning on July 1, 1945, and ending on June 30, 1947, each officer and employee in or under the legislative branch entitled to the benefits of section 501 of this act shall be paid additional compensation at the rate of 10 percent of (a) the aggregate of the rate of his basic compensation and the rate of additional compensation received by him under section 501 of this act, or (b) the rate of $2,900 per annum, whichever is the smaller.

PART II—EMPLOYEES OF THE JUDICIAL BRANCH—INCREASE IN BASIC RATES OF COMPENSATION

SEC. 521. Each officer and employee in or under the judicial branch to whom this title applies shall be paid additional basic compensation computed as follows: 20 percent of that part of his rate of basic compensation which is not in excess of $1,200 per annum, plus 10 percent of that part of such rate which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 5 percent of that part of such rate which is in excess of $4,600 per annum. The limitations of $6,500 and $7,500 with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges, contained in the eighth paragraph under the head "Miscellaneous items of expense" in the Judiciary Appropriation Act, 1946 (Public Law No. 61, 79th Cong.), shall be increased by the amounts necessary to pay the additional basic compensation provided by this section; and the changes in the rates of basic compensation in the Classification Act of 1923, as amended, made by section 405 of this act shall not be taken into account in fixing salaries under such eighth paragraph.

TEMPORARY ADDITIONAL COMPENSATION IN LIEU OF OVERTIME

SEC. 522. During the period beginning on July 1, 1945, and ending on June 30, 1947, each officer and employee in or under the judicial branch entitled to the benefits of section 521 of this act shal be paid additional compensation at the rate of 10 percent of (a) the rate of his basic compensation, or (b) the rate of $2,900 per annum, whichever is the smaller. As used in this section the term "basic compensation" includes the additional basic compensation provided for by section 521 of this act.

TITLE VI—MISCELLANEOUS PROVISIONS

EFFECT ON EXISTING LAWS AFFECTING CERTAIN INSPECTIONAL GROUPS

SEC. 601. The provisions of this act shall not operate to prevent payment for overtime services or extra pay for Sunday or holiday work in accordance with any of the following statutes: Act of February 13, 1911, as amended (U. S. C., 1940 ed., title 19, secs. 261 and 267); act of July 24, 1919 (U. S. C., 1940 ed., title 7, sec. 394); act of June 17, 1930, as amended (U. S. C., 1940 ed., title 19, secs. 1450, 1451, and 1452); act of March 2, 1931 (U. S. C., 1940 ed., title 8, secs. 109a and 109b); act of May 27, 1936, as amended (U. S. C., 1940 ed., title 46, sec. 382b); act of March 23, 1941 (U. S. C., 1940 ed., Supp. IV, title 47, sec. 154 (f) (2)); act of June 3, 1944 (Public Law No. 328, 78th Cong.): *Provided*, That the overtime, Sunday, or holiday services covered by such payment shall not also form a basis for overtime or extra pay under this act.

INCREASE IN BASIC STATUTORY RATES OF COMPENSATION NOT UNDER CLASSIFICATION ACT OF 1923, AS AMENDED

SEC. 602. (a) The existing basic rates of pay set forth in the act entitled "An act to adjust the compensation of certain employees in the Customs Service," approved May 29, 1928, as amended, and those set forth in the second paragraph of section 24 of the Immigration Act of 1917, as amended, are hereby increased in the same amount that corresponding rates would be increased under the provisions of section 405 of this act; and each such augmented rate shall be considered to be the regular basic rate of compensation.

(b) Basic rates of compensation specifically prescribed by statute of Congress for positions in the executive branch or the District of Columbia municpal government which are not increased by any other provision of this act are hereby increased in the same amount that corresponding rates would be increased under the provisions of section 405 of this act; and each such augmented rate shall be considered to be the regular basic rate of compensation.

LIMITATIONS ON REDUCTIONS AND INCREASES IN COMPENSATION

SEC. 603. (a) The aggregate per annum rate of compensation with respect to any pay period, in the case of any present full-time employee who was a full-time employee on June 30, 1945, shall not, under the rates of compensation established by this act, be less than his per annum basic rate of compensation on such date, plus the rate of $300 per annum of 25 percent of such per annum basic rate of compensation, whichever is the smaller amount. This subsection shall apply to other than full-time employees on the basis of the proportion that the time served by any such employee bears to full-time service.

(b) Notwithstanding any other provision of this act, no officer or employee shall, by reason of the enactment of this act, be paid, with respect to any pay period, basic compensation, or basic compensation plus any additional compensation provided by this act, at a rate in excess of $10,000 per annum.

ESTABLISHMENT OF BASIC WORKWEEK—PAY COMPUTATION METHODS

SEC. 604. (a) It shall be the duty of the heads of the several departments and independent establishments and agencies in the executive branch, including Government-owned or controlled corporations, and the District of Columbia municipal government, to establish as of the effective date of this act, for all full-time officers and employees in their respective organizations, in the departmental and the field services, a basic administrative workweek of 40 hours, and to require that the hours of work in such workweek be performed within a period of not more than 6 of any 7 consecutive days.

(b) Beginning not later than October 1, 1945, each pay period for all officers and employees of the organizations referred to in subsection (a) shall cover two basic administrative workweeks established under such subsection.

(c) The following provisions of law are hereby repealed: (1) The provisions of the Saturday half-holiday law of March 3, 1931 (46 Stat. 1482; U. S. C., 1940 ed., title 5, sec. 26 (a)); (2) the provisions of so much of section 5 of the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1894, and for other purposes," approved March 3, 1893, as amended (30 Stat. 316; U. S. C., 1940 ed., title 5, sec. 29), as precedes the second proviso in such section; and (3) the provisions of section 6 of the act of June 30, 1906 (34 Stat. 763; U. S. C., 1940 ed., title 5, sec. 84).

(d) (1) Hereafter, for all pay-computation purposes affecting officers or employees in or under the executive branch or the District of Columbia municipal government, basic per annum rates of compensation established by or pursuant to law shall be regarded as payment for employment during 52 basic administrative workweeks of 40 hours.

(2) Whenever for any such purpose it is necessary to convert a basic monthly or annual rate to a basic weekly, daily, or hourly rate, the following rules shall govern:

(A) A monthly rate shall be multiplied by 12 to derive an annual rate;

(B) An annual rate shall be divided by 52 to derive a weekly rate;

(C) A weekly rate shall be divided by 40 to derive an hourly rate; and

(D) A daily rate shall be derived by multiplying an hourly rate by the number of daily hours of service required.

REGULATIONS

SEC. 605. The Civil Service Commission is hereby authorized to issue such regulations, subject to the approval of the President, as may be necessary for the administration of the foregoing provisions of this act insofar as this act affects officers and employees in or under the executive branch or officers and employees subject to the Classification Act of 1923, as amended, who are not in or under the executive branch.

VESSEL EMPLOYEES

SEC. 606. Employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, vessel employees of the Coast and Geodetic Survey, and vessel employees of the Panama Railroad Company, may be compensated in accordance with the wage practices of the maritime industry.

PERSONNEL CEILINGS

SEC. 607. (a) It is hereby declared to be the sense of the Congress that in the interest of economy and efficiency the heads of departments, and of independent establishments or agencies, in the executive branch, including Government-owned or controlled corporations, shall terminate the employment of such of the employees thereof as are not required for the proper and efficient performance of the functions of their respective departments, establishments, and agencies.

(b) The heads of departments, and of independent establishments or agencies, in the executive branch, including Government-owned or controlled corporations, shall present to the Director of the Bureau of the Budget such information as the Director shall from time to time, but at least quarterly, require for the purpose of determining the numbers of full-time civilian employees and the man-months of part-time civilian employment required within the United States for the proper and efficient performance of the authorized functions of their respective departments, establishments, and agencies. The Director shall, within 60 days after the date of enactment of this act and from time to time, but at least quarterly, thereafter, determine the numbers of full-time employees and man-months of part-time employment, which in his opinion are required for such purpose, and any personnel or employment in such department, establishment, or agency in excess thereof shall be released or terminated at such times as the Director shall order. Such determinations, and any numbers of employees or man-months of employment paid in violation of the orders of the Director, shall be reported quarterly to the Congress. Each such report shall include a statement showing for each department, independent establishment, and agency the net increase or decrease in such employees and employment as compared with the corresponding data contained in the next preceding report, together with any suggestions the Director may have for legislation which would bring about economy and efficiency in the use of Government personnel. As used in this subsection the term "United States" shall include the Territories and possessions.

(c) Determinations by the Director of numbers of employees and man-months of employment required shall be by such appropriation units or organization units as he may deem appropriate.

(d) The Director shall maintain a continuous study of all appropriations and contract authorizations in relation to personnel employed and shall, under such policies as the President may prescribe, reserve from expenditure any savings in salaries, wages, or other categories of expense which he determines to be possible as a result of reduced personnel requirements. Such reserves may be released by the Director for expenditure only upon a satisfactory showing of necessity.

(e) The following employees and employment may be excluded from the provisions of this section: (1) Intermittent employees who are paid on a "when actually employed" basis; (2) employees paid nominal compensation, such as $1 a year or $1 a month; (3) employees hired without compensation; (4) casual employees, as defined by the Civil Service Commission; or (5) such other employees or employment as the Director may find it impracticable to include.

(f) Until the cessation of hostilities in the present war as proclaimed by the President, the provisions of this section shall not be applicable to (1) employees of the War and Navy Departments except those who are subject to the provisions of titles II and III of this act; or (2) individuals employed or paid by or through the War Shipping Administration (A) who are outside the United States, (B) to whom the provisions of section 1 (a) of the act of March 24, 1943 (Public Law No. 17, 78th Cong.), are applicable, (C) who are undergoing a course of training under the United States Maritime Service or who have completed such training and are awaiting assignment to ships, or (D) who are on standby wages awaiting assignment to ships. As used in this subsection the term "United States" means the several States and the District of Columbia.

EXEMPTION FOR PURPOSES OF VETERANS LAWS AND REGULATIONS

SEC. 608. Amounts payable under the provisions of this act, other than increases under sections 405, 501, 521, and 602, shall not be considered in determining the amount of a person's annual income or annual rate of compensation for the purposes of paragraph II (a) of part III of Veterans Regulation No. 1 (a), as amended, or section 212 of title II of the act entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," approved June 30, 1932, as amended (U. S. C., 1940 ed., title 5, sec. 59a; Supp. IV, title 5, sec. 59b).

APPROPRIATION AUTHORIZED

SEC. 609. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

EFFECTIVE DATE

SEC. 610. This act shall take effect on July 1, 1945.

The CHAIRMAN. Are there any amendments to be offered to section 202?

Mr. VORYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have tried to follow closely the debate on this bill. I have studied the hearings and the report, and the only thing that is clear is that it is not clear what this bill does, or why.

A supplemental staff report from the Civil Service Committee dealing with over-rapid pay raises, faulty classifications and variations in classifications in pay is being suppressed because the Civil Service Commission disagrees with the report. Think of that. A committee suppresses an investigation of an administrative agency because the agency disagrees with the report. In this case we need the report, together with the comments of the Civil Service Commission, before we can intelligently pass on this bill.

According to the majority report, however—pages 8 and 9—this bill provides overtime, night and holiday pay for 259,000 in the executive branch who are not under the Civil Service Act. The committee admits that these 259,000 have not been classified and graded according to Classification Act standards and says:

> Until this is done, there can be no assurance that the basic pay scales sought to be raised have been established or are being applied in conformity with the general system approved by Congress.

Yet this bill uses these unknown pay schedules as a basis for overtime pay.

We know, however, from the majority report that the general increase in take-home pay is more than 50 percent over the Federal pay scale which was so satisfactory before the war that we were all hounded for Federal jobs. Page 23 of the report shows an average increase of 15.9 percent in basic rates, and then overtime of 30 percent of the new basic rate, which amounts to 34.5 percent of the old basic rate. Thus, 15.9 plus 34.5 equals 50.4. This means that the bill makes the 15 percent Little Steel formula increase the new permanent base and then adds over double the Little Steel formula as a wartime increase. If the War Labor Board says this is holding the line, then it must be because they themselves want inside this kind of line. We won the Battle of the Bulge in Europe. We are losing the battle in America because Congress itself, instead of holding the line, is deliberately creating a bulge in the line through inflation of Federal salaries that will help lose our war against inflation.

This House, without my vote, moved its own line up to prewar plus 25 percent. We should hold it there for other white-collar workers like ourselves. Congressmen and their staffs work overtime, and we do not get a month off or retirement pay. Except for the lower clerical grades, overtime for a white-collar worker in public office is an invitation to dawdle. It would be far better to pay a bonus to finish public business faster than to pay a premium for stringing it out, as is being done in thousands of Federal offices now under this practically 100-percent overtime plan.

Thousands of Federal workers have worked hard and loyally through the war. What else would you expect of Americans? Hundreds of them are feeling the pinch of wartime shortages. That is to be expected in a country at war. All of us on the Federal pay roll should set an example in hard work and self-sacrifice in wartime. If we try to beat the game by inflating our salaries to keep up with wartime inflation, in order to get more than our share of the things that cost more because they are scarce, we will end up by causing more inflation and not helping ourselves.

This bill should be sent back to committee for consideration as postwar permanent legislation, and we should keep our present pay system in effect until the end of the war.

The CHAIRMAN. Are there any amendments to section 203?

Mr. RANKIN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. RAMSPECK. Will the gentleman yield for a unanimous-consent request?

Mr. RANKIN. I yield.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on section 201 close in 5 minutes.

Mr. REES of Kansas and Mr. VURSELL objected.

The CHAIRMAN. The gentleman from Mississippi [Mr. RANKIN] is recognized for 5 minutes.

HIGHER PRICE LEVELS

Mr. RANKIN. Mr. Chairman, as I said on yesterday or the day before, we are bound to move into higher price levels.

I have before me the circulation statement of the United States Treasury for April 30, 1945. It shows that on Octo-

ber 31, 1920, we had $5,698,000,000 in circulation, or $53.21 per capita. That was the highest in volume or per capita circulation our currency had risen in all the history of the country up to that time.

On April 30, 1945, we had not just $5,698,000,000 in circulation, but $26,189,000,000, and instead of having $53.21 per capita as we had in 1920, we had $188.08 per capita.

Prices in a free economy are regulated by two things—the volume of the Nation's currency and the velocity of its circulation.

We are bound to rise to higher price levels, but the one thing to which I am objecting is that this rise is not made uniform, and that the farmers of this country are being left out, to be ground into the dust by low prices for farm commodities while everybody else seems to reap a harvest of inflated wages and inflated values.

Every man who votes for this bill, if he is consistent and conscientious, must support the Wherry amendment which was adopted in the Senate a day or two ago to give the farmers reasonable pay for their services and for that of their families, in digging out of the ground a living for the rest of us.

Let me bring to you the picture of the cotton farmer. Every other farmer in America must sink to the economic level of the cotton farmer, because he is a direct competitor of every other farmer in America. You can produce anything in the Cotton Belt that you raise anywhere else in the United States.

Mr. REED of New York. Mr. Chairman, will the gentleman yield for an observation?

Mr. RANKIN. Yes; I yield.

Mr. REED of New York. Is it not a fact that the only answer to inflation caused by shortage of food is adequate prices that will bring about production?

Mr. RANKIN. Why, certainly. It was brought out here this morning that you can get all the sugar you want to make liquor. That has been going on all during this war. You cannot walk down the street of Washington that you do not see liquor stores literally packed with liquor. The farmers in your district and mine today cannot get sugar to can their fruit and berries.

Another thing, the cotton farmer is selling his cotton at 22 cents a pound, and yet during the last war, at the time when we had only $5,698,000,000 in circulation and did not have the OPA straddle of his neck, the farmer was getting 35 to 40 cents a pound for his cotton.

Now when we have more than $26,000,000,000 in circulation, or almost five times as much as we had then, he is getting just a little more than half as much for his cotton as he got then—when he should be getting two or three times as much.

If he was being paid in proportion for his cotton now he would be getting from 40 to 75 cents a pound, or even more, instead of 22 cents a pound.

Remember, the cotton farmer gets 1 cent an hour for his work for every cent a pound he gets for his cotton. Just think of that! The hardest working men in America, toiling in the hot sun at 22 cents an hour.

More of their sons—I want you all to hear this—the white cotton farmers of America have sent more of their sons in proportion to their numbers to this war than any other people under the American flag. You have stripped the southern farms of the young white men and boys, sent them to war, and you are now grinding their parents into the economic dust by holding down the price of the cotton they sell below the cost of production; and all the other farmers of America are caught in the economic squeeze with him.

Oh, I know that those communistic elements who want to regiment everybody, want to take over all the land in this country and have it divided into community farms. They want to take over all the factories and have them operated by the Government as they are operated now in some foreign countries; but those of us who still believe in constitutional government do not believe in that kind of stuff.

We want to see wages and farm prices rise to the economic levels justified by the volume of our circulating medium, so that we may all enjoy a reasonable measure of prosperity—including every farmer in America.

And instead of a communistic or totalitarian state, we want to preserve our American system of constitutional government, individual liberty, and freedom for all.

We want to save America for Americans.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. VURSELL. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. VURSELL. Mr. Chairman, I wish to say first that some of us were a little disappointed during the consideration of important amendments yesterday by too many empty seats in the House. We are continuing this bill today. There is going to be further opportunity to serve the country, and I hope we shall be able to register the will of the majority of the House when certain amendments will be offered later on and not the will of the pitiful minority.

The gentleman from Ohio has suggested that a report has been suppressed. I think it is fair to state as a member of the subcommittee dealing with this legislation that the greatest effort to get this report came from the minority, of which I was one of two. There is no question but that we should have had this report, that we should have been striving to operate in the light for the past 3 or 4 months knowing that we were going to approach this very important problem; but we did not get a full report, we got a partial report. I do not know whether we ought to try to extend the status quo and write permanent legislation later on in the fall after we have had this report; I do not know if we should take that step, but I am not satisfied with the approach that has been made to this legislation, and I do not think it is good administrative policy or good legislative policy to come in here and ask this House to consider the passage of legislation that is likely to be permanent and add something just a little less than a billion dollars to the burden of the taxpayers of this country, a piece of legislation that undoubtedly is inflationary in character, without having sufficient information as to the absolute necessity of the legislation and the equity it will bring to those who do not now have equity who are serving in the public service.

We offered an amendment yesterday, the same amendment that was offered before the committee, to cut this bill back to the very liberal Senate bill. That amendment was defeated yesterday. Some of the Members of the House who are here now probably do not know that because urgent business in committees, and so forth, kept them elsewhere. That bill would have added in aid, shooting in the dark as we are with this legislation, $580,000,000 to the pay roll of about half of those employed in the Federal service. That amendment went two-thirds of the way. It was defeated by the committee bill providing full time and a half for overtime. That is arrived at by shortening the number of days that are worked in the year and went all the way, adding $250,000,000 in excess to the $580,000,000 added under the amendment.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. VURSELL. Mr. Chairman, the gentleman from New York [Mr. TABER] came on the floor of the House this morning and in a 1-minute speech said he had it on pretty good authority that about 50 percent of the people in WPB were not necessary to carry on the functions of that agency and that they had no work to do. Is that not a strange and bad situation? The Members of this Congress, after having read the exhaustive committee report of Senator BYRD, believe that we are probably giving overtime and an increase in base pay to 300,000 people who are not needed and whose services are not properly utilized.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Washington.

Mr. JACKSON. Is it not a fact that the committee bill has adopted an amendment offered by Senator BYRD in the Senate bill relating to personnel ceilings?

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield to me?

Mr. VURSELL. I yield to the gentleman from Kansas.

Mr. REES of Kansas. I may say to the gentleman that that particular section does not do a thing but just permits

them to shift the employees around. That is all it really does. There is nothing to cut down the employees of the Government in that section. The gentleman from Washington well knows that. It has been referred to a good many times here as the so-called Byrd amendment, but Senator BYRD, himself, as I understand him, wants to cut down employment. I am informed also he could not include that in this particular bill, so we have a sort of gesture here and there is a provision for ceilings, as they are called, but the gentleman from Illinois and the gentleman from Washington know, and they are quite familiar with the operations of the Civil Service, that that amendment will not cut at all the personnel in any department of Government.

Mr. VURSELL. Senator BYRD has been making a one-man fight and a noble fight in the other body to try to bring business principles into the Government. He has probably gotten as far as he can get over there with that committee. That is the status now.

We will offer to the House an amendment to set up a committee of management, which was offered to the committee headed by the able gentleman from Georgia, the Committee on Civil Service, by the minority and it was voted down. It will go to the heart of this thing and you Members representing the people who want to bring economy in Government are going to have an opportunity when this amendment is offered to stand up and say what you think the taxpayers' money ought to be used for, whether it should be conserved or whether it should be wasted in a most inflationary manner. We all want every one who is working to have fair wages, and we can give them splendid wages. The Government is rich enough to do that if you will shake out the drones and only pay those who work efficiently. You would not apply such a system to any business that you own and operate privately as you countenance in the Government here.

Mr. DWORSHAK. Mr. Chairman, will the gentleman yield?

Mr. VURSELL. I yield to the gentleman from Idaho.

Mr. DWORSHAK. The gentleman referred to the fact that the Senator from Virginia [Mr. BYRD] has waged a one-man fight for economy and a reduction of civilian pay rolls. I should like to correct that statement. Mr. BYRD is merely chairman of a House-Senate committee which has sponsored this activity. Likewise, the Appropriations Committee of the House has done far more than merely seek publicity to create the false impression in the minds of the American people that reductions are made when in fact they have not been made in the other body.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on section 202 do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. DWORSHAK. Mr. Chairman, reserving the right to object, we will have an opportunity to speak on other sections?

Mr. RAMSPECK. That is just on this section.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word, and, Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. Mr. Chairman, I wonder if the Members of this House really understand the tremendous importance of the legislation that is now before us. From the evident lack of interest in this legislation as displayed by the lack of Members on the floor yesterday it would seem to me that perhaps the skids are already greased and that this legislation is going to go through without a single change. I think the public of this country and the employees of the Government ought to know what is in this legislation that we are asked to vote for. I have never listened to such a confused debate as has been made upon this proposed legislation.

I submit that so far as I am personally concerned, after being here all through this debate and participating in it to some extent, I am still confused as to what this bill really intends to do and what the genesis of this bill really is. I have not heard a single person say anything here today or yesterday as to the general attitude of those who are affected by this bill, the Government employees themselves. Here are, according to the statement in the report accompanying this bill, some 1,220,000 employees of the Government who are affected by the basic pay raises provided in this bill. There are some 260,000 other employees who are not affected by the basic pay raises provided in this bill but are affected by the overtime provision in this bill. We have the situation where these agencies have been created and appropriations made to maintain them with specific provisions that their employees may be hired without regard to the Classification Act. We did that the other day with respect to the employees that are going to be hired by the Veterans' Administration. All those employees are going to have their basic rates of pay fixed by the head of the agency and not pursuant to the Classification Act. It seems to me when you have the Veterans' Administration and the War Production Board and the OWI and all of these war agencies not under the control of the Classification Act, many of them with their people scattered throughout the length and breadth of this land, that we are bringing utter confusion into this matter of pay grades in the Government service. I think it is high time that the Congress of the United States begin to give some serious attention to the problem that will be presented out in your town and out in my town if you continue to pass this kind of legislation.

Let me tell you what is going to happen and give you an illustration. You have the employment offices scattered throughout this land, the USES offices, and they are proposing to extend them by a tremendous increase in the number of those offices. In each one of those offices are also located the employees of the unemployment compensation group. Those employees are State employees. They sit in the same offices with the USES employees, who are Federal employees, and there are thousands of them throughout this land. Under this bill, unless Congress rewrites the provision that was contained in the Federal security appropriation bill last year, you will be paying salaries to the girls and employees in the USES sections out of that office at Federal levels, and unemployment compensation employees will be paid at the State levels. How are you going to have efficient operation in the same office when here is a stenographer who under State levels gets $1,200 a year, and right next to her is another stenographer working for USES who under this bill will get in the neighborhood of $2,100 a year?

I want you to tell me what effect this is going to have upon the business of this country when you have all these employees in the ration boards and on these selective-service or draft boards throughout the country who are being paid in accordance with this proposed schedule. You cannot hire anyone to work in a bank, insurance office, or law office. The rates of pay in Government service are all out of line with the rates of pay paid to local people working in the same line of work in State, municipal, and civilian employment. Remember that employees out of Government service have been frozen to their jobs and their wages have likewise been frozen. I do not think you have given consideration to that situation in this bill. But you are always talking about the underpaid Government worker here in Washington. This bill affects Government workers from one end of this land to the other. Now, I want to see all of them well paid. But you do not make any differential in this bill between a worker working 48 hours a week in wartime Washington and a worker, for example, employed by a local draft board or ration board out in some small city. There is not a bit of differentiation. Certainly there is a vast difference in the living costs as between those of the girl who works here and one who works in an office back in your town or my town. I tell you, you are bringing confusion in this situation as it looks to me.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. JACKSON. What about the situation with reference to the postal service? We had a postal pay bill here recently. The letter carrier here in Washington gets the same salary as they get out in your district.

Mr. KEEFE. The argument might apply there; I do not know. But I am getting a little bit tired of having reference made to the postal pay-raise bill as a justification for the enactment of this legislation. Time will not permit a thorough analysis of the two situations. I can simply say that so far as I am concerned I voted for the postal pay raise and am glad of it. I believe they were entitled to it. I do not think the two situations are comparable because of the overtime provisions that are to be found in this bill. Without further discussion you can stop right there.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. Yes; I am glad to yield.

Mr. RAMSPECK. The gentleman asked about employee representatives at the hearings. The hearings have been printed and are available. The American Federation of Government Employees, the American Federation of Labor, the National Association of Federal Mechanics, the National Customs Service Association, the National Federation of Federal Employees, and the United Federal Workers, all testified and were in support of the bill.

Mr. KEEFE. Oh, yes. I have no doubt that is all true. Let me say to my distinguished friend from Georgia that I have taken it upon myself to talk to a large number of these employees in the departments here in Washington. I have talked to the girls who are grossly underpaid who are working in these offices down here 48 hours a week. And do not make any mistake about it—they are working. Those girls get down there at 9 o'clock in the morning and do not leave their offices until a quarter of 6. They work 6 days a week. Then they have to get a bus or streetcar and do not get home until 7, 7:30, or 8 o'clock. Five or six of them may live together in an apartment. They are compelled to do it in order to live. They then have to cook the evening meal. Then they have to wash the dishes, clean the apartment, do a little laundry, and so forth. It is as late as 9 o'clock at night before these girls are through with their day's work. These girls, and there are thousands of them in Washington such as I have described, have not the time during the week to go to a hairdresser to have their hair set. They do not have time to stand in line at food stores in order to get even a minimum of food.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman to proceed for five additional minutes?

There was no objection.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman.

Mr. JACKSON. I might say to the gentleman that the people in the lower brackets are the ones who benefit most by this legislation.

Mr. KEEFE. Yes; the tables show that they benefit most by this legislation, and I congratulate the committee in giving them this consideration. But let me tell you what they are most interested in, those that live here in Washington and in other large congested cities. There ought to be somebody in this House who will speak for these employees. I know whereof I am speaking. These girls are tired—they are tired—they have been working long hours all during this war period, and what they really want, despite what is contained in the record of your hearings, is a decrease in the number of hours and a fair increase in their day's pay. They want some chance to have a few hours during the week when they can rest in the sun; when they can get their own personal work done. Many of them have to do their own washing and mending and ironing. You can laugh if you want to but go out to these boarding houses and rooming houses where these thousands of girls are compelled to live, and you will find that the overwhelming majority of them want a shorter workweek with a commensurate increase in their base pay to take care of the additional cost of living.

Mr. JACKSON. Will the gentleman yield?

Mr. KEEFE. I yield.

Mr. JACKSON. The gentleman has read the report. He will note that the President has indicated that the hours of employment will be reduced as rapidly as possible.

Mr. KEEFE. Oh, I have read that report and I read the newspapers and I read the releases coming from the White House. I hope that happens, but I am talking about realities.

Mr. JACKSON. I assume the gentleman is supporting this legislation, in view of the feeling he has expressed here.

Mr. KEEFE. Exactly.

Mr. JACKSON. Including time and a half for overtime.

Mr. KEEFE. No. I am supporting the proposition that will give them time and one-twelfth, because I am sure that an overwhelming majority will be entirely satisfied with the present overtime rate if given the base rate increase.

Mr. JACKSON. You feel that these girls working in the offices in Washington should receive time and one-twelfth, but girls doing identically the same work in private industry, stenographic work, should receive time and a half?

Mr. KEEFE. May I say to the gentleman that I have said no such thing. I have said I shall vote for base pay increases and time and one-twelfth for the overtime. I have said I am convinced most Government workers will be completely satisfied. I do not know that stenographers in many private businesses are getting time and one-half. There is quite a difference, if I may say, and that is the realism I would like to discuss with the gentleman. The gentleman is not fooling me a bit and he is not putting me on the spot. I have made it a point to go down into a lot of these buildings on Saturday afternoon and I would like to take the gentleman down there on Saturday afternoon. In certain buildings you can shoot a cannon down the hallways, especially those occupied by war agencies, and you will not hit a person. Across the hall from those employees you will find employees of the old-line agencies that are working, when they see other people have gone away without even signing a leave slip which the law requires. You might as well understand this as a realistic proposition. You will find thousands of people leaving their jobs on Saturday afternoon and if you make a check of the leave slips you will not find that time charged to their annual leave.

Mr. JACKSON. Will the gentleman yield further?

Mr. KEEFE. I yield.

Mr. JACKSON. I understood the gentleman's statement a moment ago about these girls working long hours and working hard. Now what is his position? Does he say they are loafing?

Mr. KEEFE. May I say to the gentleman that I have never charged loafing. Had the gentleman been listening he would not have asked such a silly question. Certainly a person cannot loaf who is not on the job at all. My position is that there are those who are not covered by the classification standards who are working in the old-line offices of this Government, who do comply with the leave-slip provisions and who do have their time off charged to annual leave or sick leave, and who are closely supervised and closely watched. As to those people they are asking that you give them some reduction in their period of working hours, with a fair and reasonable and decent increase in their basic pay.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. DWORSHAK. Mr. Chairman, I move to strike out the last two words.

Mr. RAMSPECK. Will the gentleman yield for a unanimous consent request?

Mr. DWORSHAK. I yield.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on section 203 close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DWORSHAK. Mr. Chairman, I have listened to the debate on this measure and I am amazed at the amount of confusion, as well as the lack of information which has been made available. I realize the members of this subcommittee have endeavored to work diligently so that they might outline some plan which would be acceptable. However, may I call the attention of the Members to a statement recently made by the chairman of this committee, whom we all respect, wherein he stated, according to the Associated Press under date of May 31, that there were 2,914,000 Federal civilian employees. Yesterday the chairman of the subcommittee stated there are approximately 2,900,000 Federal employees. I hold in my hand the report of the United States Civil Service Commission for April 30, 1945. May I direct your attention to the fact that while there are approximately 2,900,000 civilian employees in the continental United States, this report states:

The total number of paid employees serving outside the continental limits of the

United States was approximately 547,000 on March 31, 1945.

I wonder if those half-million civilian employees working outside of the continental limits work for nothing, or whether we should justifiably include them in the civilian Federal pay roll.

Mr. RAMSPECK. Will the gentleman yield?

Mr. DWORSHAK. I yield.

Mr. RAMSPECK. The statement I made is correct. I said there were 2,900,000 approximately in the United States.

Mr. DWORSHAK. That is right.

Mr. RAMSPECK. The gentleman agrees with me.

Mr. DWORSHAK. Yes.

Mr. RAMSPECK. There are several hundred thousand outside the United States.

Mr. DWORSHAK. Five hundred and forty-seven thousand.

Mr. RAMSPECK. They are working for the Army, the Navy, and other war agencies in connection with the war effort.

Mr. DWORSHAK. They are civilian employees, are they not?

Mr. RAMSPECK. Certainly.

Mr. DWORSHAK. Why are they not included in your report? They are included by the Civil Service Commission. They report there are over half a million civilian employees serving outside the borders of our country.

Mr. RAMSPECK. Are they not included in the report the gentleman has there from the Civil Service Commission?

Mr. DWORSHAK. Not in any reports which have been made by members of the gentleman's committee thus far. I challenge the gentleman to point out where that data have been included. Will the gentleman refer to it?

Mr. RAMSPECK. I may state to the gentleman that I have never attempted to conceal the fact that we have several hundred thousand people outside the United States. We have been dealing in this debate with those covered by this bill. There are approximately 1,200,000 dealt with on base pay and 1,400,000 dealt with on overtime pay.

Mr. DWORSHAK. Have you not included this other half million? Are they not amenable to the same regulations which affect the employment of civilians in this country? I might point out that back in the year 1940——

Mr. ROBSION of Kentucky. Just at that point, if the gentleman will permit an interruption, I should like to know how many of this 547,000 are not American citizens, where they live, and what it costs them to live.

Mr. DWORSHAK. Mr. Chairman, the gentleman could get that information from the Civil Service Committee. I am not a member of that committee.

In the year 1940 there were approximately 1,000,000 civilian employees on the Federal pay roll; now we have about 3,500,000. In 1940 the pay roll of the executive department of the Government was approximately $1,866,000,000, or less than $2,000,000,000. But today the annual pay roll of the executive department for civilian employees is approximately $9,000,000,000. So we have an increase of about 400 percent in the number of personnel and 400 percent in pay roll, or a jump from about $2,000,000,000 in 1940 to approximately $9,000,000,000 at the present time. Has that information been given to Members of this body so that they may act intelligently in the consideration of this bill?

I should like to call your attention to another fact that has not been revealed to this body during this debate.

The CHAIRMAN. The time of the gentleman from Idaho has expired. All time has expired on this section.

Are there amendments to sections 301, 302, 401?

Mr. REES of Kansas. Mr. Chairman, I offer an amendment to section 401.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: On page 9, line 5, under title 4, strike out section 401 and renumber sections 402, 403, 404, and 405, as follows: "Section 401, section 402, section 403, and section 404."

The CHAIRMAN. The gentleman from Kansas is recognized for 5 minutes.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The gentleman from Kansas is recognized for 10 minutes.

Mr. REES of Kansas. Mr. Chairman, there has been considerable discussion with respect to the confusion regarding this bill. I want to say to the members of this committee that I have done the very best I could in an effort to secure information which I thought would be of interest to the membership of this House with respect to this legislation. Let me say to the committee that I have tried to obtain what information I could through our staff director. Our staff director, Colonel McCormack, is competent and is courageous. He believes in presenting the facts as he finds them, whether favorable to those who are being examined.

In my opinion, he has done a good job as far as he was permitted to do it, and during the time he had to do it. I had hoped that by this time we would have further information on that subject. Our chairman had scheduled a committee meeting for 10 o'clock this morning to discuss this matter further, and to hear the report of the staff director, but the meeting was called off during the morning because the chairman had another appointment, as I understand. What information would have been disclosed I do not know by the report the staff director has advised he has ready to present. I simply want it understood that, as a member of the Civil Service I have tried to secure as much information as could be provided that may be of importance to this committee and to the country with respect to this legislation.

Mr. VORYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Ohio who has manifested a great deal of interest in this proposed legislation.

Mr. VORYS of Ohio. On Monday we had quite a discussion about a staff report of the Civil Service Commission that was being suppressed. The circumstances were discussed with the chairman of the committee and the ranking member. Has that situation changed since Monday?

Mr. REES of Kansas. The only manner in which it has changed since Monday is that it was understood our staff director would furnish further information for our committee in reply to a statement that was made by a member of the Commission, who examined the staff report and claimed the statements of the staff director are incorrect. The committee was to have met this morning and receive the further report of our staff director. As I said, the meeting was postponed this morning, because our chairman had another appointment. I was advised the meeting will be tomorrow.

I see no reason why this report should be postponed. The members of the committee and the membership of the House ought to know what is in it. If it does not have anything to do with this bill, well and good; but we ought to have it now, and not wait until this legislation is disposed of. I think that is fair to the committee and to the House, and to our staff director, for whom I have the highest respect. Whatever information is disclosed in the report, this House should have it. This information is not from some outside source. It is from our own staff director, at the request of our own committee.

Mr. VORYS of Ohio. That report deals with the very subject matter that we are considering here, does it not?

Mr. REES of Kansas. In my judgment, it deals with the problems to be considered here and now. We ought to have it.

Mr. Chairman, I have been quoted in the press, and by Federal employees who are not familiar, as being opposed to the raising of the salaries of Federal employees. Such statement is unfounded; it is incorrect and it is untrue. The question involved in the amendment offered yesterday deals with overtime pay only. To keep the record clear, all members on the House Committee on Civil Service approve this legislation with respect to increases in base pay. The difference arose with respect to the overtime-payment feature of this bill.

I am in favor of raising the base pay as provided in this legislation. I have not said one word against it. In addition thereto, I favor overtime payments under the present schedules now in effect, which are at the rate of 21.67 percent, or 1½ for the additional 8 hours above the 40 hours per week. It is also the same schedule in the bill that passed the Senate. This bill proposes a so-called time-and-one-half schedule. Many Federal employees believe that the bill provides for an additional payment of time-and-one-half pay all the way down the line. The fact is that the time-and-a-half payment applies only up to $2,900, and from there on it tapers down to 7 or 8 percent only for overtime.

Mr. Chairman, when it is declared by Presidential order or by resolution of Congress that employees shall work only 40 hours, then let us have a really true time-and-a-half overtime for extraordinary necessary work, and apply it all the way down the line. That is the way to handle it, and I believe it is the way the Federal employees really want it. In fact, I shall be glad to introduce a resolution to provide for true time-and-one-half pay for necessary work when we are on the 40-hour-week schedule.

Now, Mr. Chairman, I am offering a further amendment that strikes out the provision in this bill that would authorize the Civil Service Commission to make adjustments within certain bounds and which would permit them to make their own classifications. It is my candid opinion that the Civil Service Commission has not thus far shown itself capable of doing that. In any event that has been the prerogative of this Congress ever since we have had the Classification Act. Congress has provided for those classifications. The question is whether you want by this provision in the bill to pass on to the Civil Service Commission the authority to do the thing that heretofore belonged to the Congress of the United States? The author of the bill will tell you that as a practical matter the Civil Service Commission should have authority to establish classifications. If there should be further classifications, they should have been written in this bill and not left to the power and authority of the Civil Service Commission. Of course, the Civil Service Commission feels this is further power that should be passed on to it, and not retained by the Congress. This Congress has passed too much power and authority to bureaus and agencies. Here is another example of giving further powers to bureaus and commissions. It violates the intent of the Classification Act. If further, let us find out what is needed and write them in the act, and not delegate the authority to any agency.

Mr. Chairman, may I say again, this is just about the last straw in asking the Congress to delegate authority. It is a more serious matter than most of the membership of this committee appreciate because we have become so accustomed to passing on authority and then finding out later that a great mistake was made. We can stop making that further mistake by striking out this section. It is new legislation and it should not be adopted. We should not let the Civil Service Commission rewrite the Classification Act which is a function of the Congress.

There has been considerable discussion on the floor of the House with respect to this upgrading matter, the increase of salaries by upgrading. There was considered on the floor the other day a figure of 4.2 percent by a member of the committee. He called that the media, whatever that means. I have asked that the Commission furnish us information showing the number of employees on the pay roll with the Civil Service Commission alone and the total amount paid them 3 or 4 years ago, and then give it to us as of a certain date, say January, 1945. I am advised that such information would require an endless amount of work and would take quite a while to prepare; so up to this time I do not have that information, but my candid judgment is that when we do receive it, there will be an average, not a media, of a great deal more than has been suggested by the committee report.

Mr. Chairman, the majority of the committee has been complimenting the Civil Service Commission and its officials with respect to taking care of the question of promoting people within the departments and they have insisted that the Commission has done a pretty good job.

Only a few hours ago an official in one of the war agencies called my attention to an employee who started at $3,200 less than a year ago, and has been moved along so rapidly that he is now being paid at the rate of between $8,000 and $9,000, and yet his services are little more important than they were when he was first employed. There is too much favoritism, especially in the newer agencies. Too many men and women who have come into Government in the last few years have been advanced over competent and experienced employees, who have been in Government many years, but who do not have influence back of them.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. REES of Kansas. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Here is another thing that goes on in our departments, and there ought to be some way to get rid of it, and that is this: We have too much of what might be called totalitarianism, whatever that is, down in our departments. We have individuals down there who are more or less czars, and when an employee wants to submit his problems or his grievances, he just does not have the chance to which he is entitled. Why, I have had employees down here, both men and women, who have been here for years in the old-line agencies—not the newer ones so much—who tell me, "Now, I want you to have this information with respect to the way conditions are going on down here." But they say in the same breath, "Of course, I hope you will keep this confidential because if it is reported to my chief, it may mean my job or mean demotion for me."

Mr. ELSTON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Ohio.

Mr. ELSTON. As I understand, the gentleman's amendment would remove section 401 from the bill.

Mr. REES of Kansas. That is correct.

Mr. ELSTON. And section 401 provides permanent legislation?

Mr. REES of Kansas. That is correct.

Mr. ELSTON. If this Congress ever desired to repeal the legislation and we were confronted with a Presidential veto it would be necessary for two-thirds of the House and the Senate to recapture the power that we would delegate if we enact this bill in its present form?

Mr. REES of Kansas. The gentleman's statement is correct. I trust that the membership of this Committee will see fit to support my amendment.

Mr. ANGELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the amendment under consideration proposed by the gentleman from Kansas [Mr. REES] in my judgment should not receive approval. The section which the amendment seeks to strike from the bill merely liberalizes the procedure permitting the employees in certain cases to be advanced in a shorter time than otherwise would be permitted under the law. This is in line with the procedure in other branches of Federal service.

I am particularly interested in the passage of this bill and take this opportunity to discuss some of its general features. On March 21, 1945, I introduced H. R. 2703, which had for its purpose the improving of the salary and wage administration in the Federal service, classifying salaries and adjusting salary levels, providing pay for overtime and for night and holiday work, and also amending the Classification Act of 1923. A companion bill, H. R. 2497, was also introduced. These bills were referred to the Committee on the Civil Service, and extensive hearings were held. As a result, some modifications and changes were made in the provisions of these two bills, and a clean bill, H. R. 3393, was introduced by the gentleman from Washington, Representative JACKSON, on June 6 last. This bill is under consideration by the House and will probably be passed today.

This legislation is generally referred to as the white-collar pay bill for Federal employees and has for its purpose the putting of Federal employees in this class on a parity with those in other Federal services. Some time ago, the House passed a similar bill covering postal employees, and, insofar as practicable, this bill follows the general plan of the postal employees' bill. It provides for an average increase of white-collar employees' pay of 15 percent. The plan has the approval of the National War Agencies Labor Board and the Economic Stabilization Director, Mr. Davis. It provides that employees working beyond 40 hours shall be paid time and a half on the basis of 2,080 hours a year, or 260 days per year, which is the standard used in the wage-and-hour law. It is also the standard used in the navy yards and arsenals for employees, who come under wage-board procedure and whose salaries are fixed by wage boards. The employees to whom I last referred have already had basic wage increases, and it is proposed by this bill to bring these additional Federal employees on an equitable basis with the other million and a half employees in the executive branch of the Government.

The bill covers the legislative employees, that is, the employees of the staffs of Members of the House and Senate. They are treated on the same basis as other Federal employees in the executive branch insofar as it has to do with basic pay. They get an average increase of 15

percent plus, on a graded scale according to rate of pay. However, they are not placed on time and a half overtime because it is not practicable to utilize that method in fixing overtime computation for these employees, owing to the irregularity of their hours. In lieu of overtime and in addition to basic wage increases, these legislative employees, under this bill, get a flat 10-percent allowance instead of overtime pay. The same rule is applied to judicial employees of the Government. This bill, when enacted into law, will take the place of the temporary war emergency law of 1943 which expires on June 30, 1945, under which about a million and a half employees have been receiving extra pay.

Unless this bill is enacted or the overtime pay act extended, salaried employees other than those in the postal service will be required to work overtime without additional compensation therefor. No other group of Federal employees will be so treated.

The number of employees on the Federal pay roll changes from day to day but there are approximately 3,000,000 Federal employees in continental United States at the present time. They are employed in Washington and throughout the United States. It is reported that there are about 470,000 Federal civilian employees outside the United States. Approximately one-half of these employees are covered by this legislation. The Fair Labor Standards Act passed by the Congress some years back requires time and a half overtime in private industry. It would seem fair for the Federal Government to accord the same treatment to its own employees it requires of others.

The formula in the bill for increasing basic pay rates is specific and provides for the addition to the base pay of 20 percent of that part not in excess of $1,200 per year, to which shall be added 10 percent of the portion which is in excess of $1,200 but not in excess of $4,600 per year. To this sum is added 5 percent of that part which is in excess of $4,600 per year. The total of these additions is the basic rate. It is estimated that the over-all average increase amounts to 15.9 percent.

Mr. Chairman, this bill is in line with the general program of the Congress to classify and stabilize salaries of Federal employees so that they may be on a parity, so far as it is possible, with respect to hours, pay schedules, basic time, and overtime. It is believed that this bill is the best that is possible to frame at the present time and should receive the approval of all Members of the House. The bill has already passed the Senate in substantially the form as now set forth in H. R. 3393.

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the section the gentleman from Kansas undertakes to strike out proposes to liberalize an act which was passed by this Congress in response to the action taken by the Committee on Appropriations. Prior to the enactment of that legislation there was no limitation on the speed with which the employees could go up the ladder within a grade. The Committee on Appropriations from time to time put certain limitations in the appropriation bills, but recognized that that was not a proper way to handle it, and they had the Bureau of the Budget make a study. The Budget brought in a report which the Committee on Appropriations sent to the Committee on the Civil Service, and the existing law was enacted in response to the action of the Committee on Appropriations and the Bureau of the Budget.

The present law provides that an employee can get a one-step promotion within the grade, which in the lower brackets is $60 a year, every 18 months. In the higher grades, from $3,800 up, they can get one only every 30 months.

In the hearings on this bill at page 91 you will find the testimony of Admiral Crisp, of the Navy Department, about the difficulty they are experiencing. He recommends the provision which the gentleman from Kansas is undertaking to strike out. It changes the waiting period respectively from 18 months to 12 months, and from 30 months to 18 months, in which a one-step promotion within the grade can be made. Now that is all there is in this section.

Somebody said they are tired of hearing about the postal bill, but I think it is fair to make comparisons with other legislation dealing with employees doing similar types of work. The postal bill and the postal legislation have always provided that clerks and letter carriers begin at the bottom of the grade, and they go up $100 each year until they reach the top, and that is still provided. It is an automatic promotion. The only difference between that and the provision we have in here is that these employees have to have a good efficiency rating before they can be promoted within the grade. So much for that.

I think the provision we have in the bill ought to stay in because it will help the War Department and the Navy Department—and they have both asked for it—to recruit the necessary personnel to service the war effort, and that is where most of these employees are. Two-thirds of all the Federal employees are in the War and Navy Departments.

They are just as much a part of the war effort as anything else.

Now I want to talk a little about this so-called staff report. We made a report and it is filed with the House and available to every Member setting forth the legislation under which all Federal employees are placed. Before the staff gathered the information for that, the gentleman from Kansas and the gentleman from West Virginia [Mr. RANDOLPH] and myself constituting a subcommittee of our committee, discussed with Colonel McCormack, the staff director, what was to go into that report. We agreed on it. He made the study and he made the report. The gentleman from Kansas and I went over the rough draft of it and approved it and ordered the committee print made. That was brought before the committee and acted on by the committee. The gentleman from Kansas asked for additional information. He never raised a question until it was before the committee for approval. Then we approved it and sought the additional information. That is what he is talking about now when he says there is a staff report which the committee has not acted on.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. REES of Kansas. The committee took action and requested that the information be furnished, did it not?

Mr. RAMSPECK. Exactly, on the request of the gentleman from Kansas.

Mr. REES of Kansas. So the committee requested it.

Mr. RAMSPECK. All right. We are agreed up to that point. I want to say to the House that the Civil Service Committee is not suppressing anything and does not intend to suppress anything. If you have any doubt about that read the reports that we have filed. I will state to the House I am not going to whitewash anybody in that investigation. We have been critical of the Civil Service Commission. But as long as I am chairman of the Committee on the Civil Service I am not going to be put in the position that the Dies Committee was put in when it was alleged that the chairman of that committee released staff reports without any meeting of the committee, without giving opportunity to the people who were mentioned in those reports to defend themselves. This so-called report, and it is only a staff report, is directly and categorically denied and contradicted by the officials who are concerned. We have referred it back to the staff and have given the staff an opportunity to substantiate the statements which were made and which are denied by Mr. Flemming, a member of the Civil Service Commission.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. Mr. Chairman, that is why the staff report has not been filed as a committee report. It has not been acted on by the committee. Until it is acted upon it is not proper information to be made public.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. Yes.

Mr. REES of Kansas. Now to make that complete, I understood that the staff was ready to file its further report and is ready now but that the committee just has not met to receive the report; is that it?

Mr. RAMSPECK. We had tentatively agreed to have a meeting this morning.

Mr. REES of Kansas. And the staff is ready to report it this morning—is that right?

Mr. RAMSPECK. No; I do not know whether it is or not.

Mr. REES of Kansas. That is my understanding.

Mr. RAMSPECK. It is not my understanding.

Mr. REES of Kansas. It is my understanding that the staff has its report ready to be made this morning.

Mr. RAMSPECK. I do not know whether it has or not. But the fact of the matter is that the President called me to the White House this morning, and I had to go there just as the gentleman from Kansas would have gone if the President had called him. Therefore, the tentative session of the committee this morning was delayed until tomorrow. I take the position, may I say to my friends in the House, that whatever the facts may be as to the rapidity with which people have been promoted from grade to grade, that has nothing to do with this legislation. We are dealing, as the gentleman from Wisconsin pointed out yesterday in colloquy with me, with jobs which have been classified under an act passed by this Congress. We are undertaking to raise the rate of pay in those classes and grades. We are not dealing with individuals in this bill. The question of whether or not they have been promoted to another grade or the question of whether or not they have qualification for a job which already may exist and which has been occupied by somebody else is not involved here. Actually money is oftentimes saved to the Government and the pay roll is actually reduced when you have a unit of 10 people and an employee at the top resigns or is transferred somewhere else you promote the other 9. That is because oftentimes in such a case some of those 9 are above the minimum of the grade and therefore they go to the grade above at the minimum figure, thus you save the excess. So actually when promotions are made up the line that way more likely than not you actually save some money on the pay roll. Therefore, I take the position that all this talk about whether people have been promoted from grade to grade has nothing to do with this legislation. The question of whether they have been promoted within the grade is not involved here. It is a question of management. Certainly nobody in the House of Representatives has done any more in the last 2 years to try to bring about better management in Government than I have been undertaking to do.

We have saved the Government a lot of money. We have reduced the actual number of employees. I say to the gentleman from Idaho [Mr. DWORSHAK] there are fewer employees in the continental United States today than there were a year ago. It is largely due to the efforts of the Civil Service Committee of the House and the Committee on Nonessential Expenditures in the Senate, who constantly have been carrying on a campaign to hold down the pay roll.

Now, we have a matter in this amendment which deals with a question which the War and Navy Department leaders say is going to be helpful to them in prosecuting the war. As far as I am concerned, I am going to follow their judgment and vote against the amendment.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. ROBSION of Kentucky. The gentleman stated that there were less civil employees in the United States, in the continental United States, than there were before?

Mr. RAMSPECK. Than there were a year ago, I said.

Mr. ROBSION of Kentucky. Now, in the over-all picture in continental United States and in foreign countries, the two together run about 3,500,000. Is that more or less than a year ago?

Mr. RAMSPECK. I do not have the figures before me, but I want to say to the gentleman from Kentucky that in foreign countries our War and Navy Departments have in their employ a lot of local people. For instance, they had to employ in England men to unload our ships. They did employ thousands of people in Belgium and in France; stevedores and others. They are in that 500,000 employees about which the gentleman is talking. I do not know how many of them there are in that category.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. RAMSPECK. That accounts for the fluctuation overseas, in our war effort.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield.

Mr. VURSELL. I am wondering just how strongly the War and Navy Departments have insisted on this change in giving more authority to the Civil Service Commission.

Mr. RAMSPECK. It does not give any authority to the Commission. It makes it the law.

Mr. VURSELL. But the point I am wanting to make is that I thought perhaps we were going to be able to handle this bill without fighting the war. If they wanted this feature and waited 4 years before they made the suggestion, I wonder how urgent it is. I did not know, as a member of the committee, that the War and Navy Departments were interested in this particular section to which you have referred.

Mr. RAMSPECK. The gentleman was a member of the subcommittee. On page 91 of the hearings Admiral Crisp said this:

> Salaried employees of the Federal Government who do satisfactory work should be given salary increases every 12 months (instead of every 18 months) in the lower-salaried groups, and every 18 months in the higher-salaried groups, with the salary ceilings established by the Congress.

Admiral Crisp is a fine administrator. He has done a good job. I am going to follow his recommendation. I hope the Committee will vote against the amendment and sustain the recommendations of the War and Navy Departments.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. BENNET of New York. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, ever since I became a Member of Congress, and even before that, I have heard people say the time has come for the Congress of the United States to commence to economize; to try to save Federal money. On every bill that has been presented to the House involving appropriations the same subject has come up, but in each instance it has been said, "This is not the time to start. This is the wrong bill to commence on." "Too many people are interested in it."

Mr. Chairman, I believe the time has come to commence to economize but the way to economize is not primarily to pay low wages. The way to economize, in my judgment, is to get the most efficient possible operation from the employees of the Government. I would rather see better wages paid and fewer people employed if economical operation can be obtained in that manner.

The original purpose of the civil-service legislation, as every Member of Congress knows, was to do away with favoritism and to bring about promotions on merit. We have heard a lot of talk in this debate and the same sort of talk has reached every Member of Congress in his office, I am sure, to the effect that that original purpose has been completely lost; that we have to put up with the inertia which goes with civil service, without getting the corresponding advantage of promotion on merit. I do not say that that is so. I would like to know a lot more about it than I know now. There has been before the Civil Service Committee a resolution introduced by the gentleman from Pennsylvania [Mr. FULTON] asking for an appropriation of $500,000 for a full scale investigation of civil service, which would certainly bring out those facts.

I have had many civil-service employees call upon me at my office and complain of conditions in their particular place of employment. They said for example that there was no hearing given any more on grievances; that the so-called supervisor in each office had the final say and that whatever the supervisor said went, so if you were in right with the supervisor you got these promotions that are referred to, but if you were not in right you did not get them. There again, I do not know that that is so but I would like to find out about it. I would be interested to know why the committee has not itself sponsored this resolution of the gentleman from Pennsylvania [Mr. FULTON] and pushed it.

Since this war started businessmen have come into the Government for the first time in large numbers through the War Production Board and other agencies, and they have been shocked, they tell me, at what they found. They complain about being compelled to use three, four, and five poorly paid employees to

do the work they say can be better done by one or possibly two effective employees. That is the sort of condition we want to get away from.

The resolution introduced by the gentleman from Pennsylvania [Mr. FULTON] is apparently opposed, as nearly as I can tell, by the majority of the members of the Civil Service Committee and apparently judging from a letter I received yesterday it is also opposed by some of the employees' unions. In this letter the employees say they resent the charges of inefficiency and ineffective work which have been made on the floor of the House and in the newspapers. I do not blame them for resenting those charges but I think they should be the first to advocate this complete investigation which the Fulton resolution would provide for.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BENNET of New York. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BENNET of New York. Mr. Chairman, if these conditions do not exist then this report to be made by the Civil Service Commission will say so and the reputation of the Civil Service employees will be cleared, as it deserves to be cleared if they are doing the effective work we hope they are. The same is true of the Civil Service Committee. They ought to want this report made because many of these charges made on the floor of the House are serious and should be answered. Furthermore, every Member of Congress should want this because if it develops that the Government is being operated by too many people, that there is a chance for more efficient and more effective operation, then the recommendations made by this report can be put into effect; and I think the effective and efficient operation of the Government will prove popular. To conduct this investigation would be a business-like way of handling our affairs.

Mr. DWORSHAK. Mr. Chairman, I move to strike out the last word.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. DWORSHAK. I yield.

Mr. RAMSPECK. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

Mr. REES of Kansas. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Idaho is recognized for 5 minutes.

Mr. DWORSHAK. Mr. Chairman, I hesitate to take issue with my distinguished friend from Georgia, chairman of this committee, who a few minutes ago said for my specific information that he wanted the House to know there were fewer civilian employees on the Federal pay roll now than 1 year ago. I have the report of the United States Civil Service Commission for April 30. This is the most recent report available. The report shows that on April 30, 1945, there were 2,914,691 employees. On April 30 of 1944 there were 2,853,471; or a net increase during the past year of 61,220.

Mr. Chairman, I wish to take this opportunity to impress upon the Members of this body that this incident illustrates why I tried to point out in my previous remarks that continually we are told and reassured that the civilian pay rolls are going down, and down, and down. But if you study the monthly reports of the United States Civil Service Commission you will find that is not true. Let us recall that on December 1, 1942, the standard workweek was extended from 40 to 48 hours in government service. Naturally we might expect with a 20-percent longer workweek, that it would mean a reduction in the number of employees required to do a certain amount of work. Here again I refer to the monthly reports of the Civil Service Commission. In December 1942, there were 2,810,871 employees, but in the early months of 1943 the personnel jumped—within a space of 4 months—to 3,000,000 employees.

I insert at this point in my remarks a tabulation from figures submitted by the United States Civil Service Commission, showing the monthly civilian employment of the executive department of Government for each month since January 1941:

	Entire service	These figures are the estimated personnel outside continental United States, and are included in the total figures in the first column
1941:		
January	1,153,431	
February	1,173,152	
March	1,202,348	
April	1,251,283	
May	1,306,333	
June	1,370,110	
July	1,391,689	
August	1,444,985	
September	1,487,925	
October	1,511,682	
November	1,545,131	
December	1,670,922	
1942:		
January	1,703,029	
February	1,805,186	
March	1,926,074	
April	1,970,269	
May	2,066,873	
June	2,205,970	
July	2,327,932	
August	2,450,759	
September	2,549,474	
October	2,687,093	
November	2,739,815	
December	2,810,571	
1943:		
January	2,864,021	
February	2,944,922	
March	2,978,824	
April [1]	3,005,812	
May	3,030,659	
June [2]	3,156,955	154,500
July	3,126,216	154,500
August	2,992,147	154,500
September	2,960,019	154,500
October	2,952,013	154,500
November [3]	2,977,227	154,500
December	3,007,112	195,300

[1] War Department revised its procedure for reporting pay-roll data. Amounts paid to civilian employees of the War Department outside the limits of the continental United States, previously excluded from the total, are now included. (See Civil Service Commission report for May 1943.)

[2] Revised employment reporting system made necessary by enactment of War Overtime Pay Act. (See Civil Service Commission report for June 1943.)

[3] Reflects change in reporting procedure in Post Office Department, resulting in upward adjustment of 24,558 in employment totals, beginning in November 1943. (See Civil Service Commission report for December 1943.)

	Entire service	These figures are the estimated personnel outside continental United States, and are included in the total figures in the first column
1944:		
January	3,015,334	195,300
February	3,023,143	195,300
March	3,252,652	415,100
April	3,268,571	415,100
May	3,281,501	415,100
June	3,312,256	393,969
July	3,335,178	393,969
August	3,302,526	393,969
September	3,270,729	389,500
October	3,267,770	389,500
November	3,265,504	389,500
December	3,412,237	552,600
1945:		
January	3,441,500	552,600
February	3,471,527	552,600
March	3,467,410	547,000
April	3,461,691	547,000

So apparently when the workweek was extended from 40 to 48 hours it did not result—notwithstanding the acute manpower situation which obtained throughout our country—in a net reduction in the number of civilian employees on the Federal pay roll. Up, up, up, almost every month for 5 years has gone the number of employees until today we have approximately three and one-half million. If President Truman requests that the workweek be reestablished on the basis of 40 hours it should not make any material difference if we apply the same formula as used in going from 40 to 48 hours. It did take just as many Federal employees working 48 hours as 40 hours, so, I presume, there would be no material change in the number of employees working 40 hours instead of 48 hours.

It seems to me that if the House is going to cooperate with our President, and we hear every day in the debates that we ought to go along and help him win this war on the home front, it is time that we give serious consideration rather than mere lip service to some of these requests. We hear about streamlining our Federal Government. How do you streamline it? By adding more bureaus and adding constantly every month to the number of Federal employees on the pay roll. Yes, in 1940 the Federal pay roll was $2,000,000,000 annually. Now it is $9,000,000,000 and when this bill goes through it will probably be $10,000,000,000. We all recall when the Federal Government used to spend a billion dollars a year to transact the business of all branches of our Federal Government. Now it requires $9,000,000,000 to meet the civilian pay roll in the executive branch of the Government alone.

In closing may I say that while these assurances are given every week and every month to the American people and to the Members of this body that the Federal pay roll is being reduced, I refer you to the monthly reports of the United States Civil Service Commission. I am willing to rely on the figures of that New Deal executive agency.

The chairman of the House Civil Service Committee has questioned the figures

which I have mentioned concerning the Federal civilian pay roll. He persists in contending that the pay roll of the civilian branch of government now amounts to slightly more than $7,000,000,000 annually. The figure which I secured from the Civil Service Commission indicates that the pay roll for continental United States only for January 1945 was $616,500,000. On this basis, the annual pay roll would be approximately $7,398,000,000 covering only the United States. The Commission states that no accurate figures are available on the annual pay roll of approximately 547,000 civilian employees serving outside the United States. Most of the civilians serving outside the United States receive 25 percent differential in pay. If the average annual salary is placed at only $3,000, the annual pay roll for these 547,000 employees would amount to $1,641,000,000. If you add this sum to the amount of the pay roll for personnel in the United States, you will have a grand total of slightly in excess of $9,000,000,000.

I submit these figures to prove the accuracy of my statement that the Federal civilian pay roll has increased from less than $2,000,000,000 annually in 1940 to approximately $9,000,000,000 currently. I favor increases in basic wage rates of Federal employees in accordance with the Little Steel formula, but such action should be accompanied by the elimination of overtime pay and the reestablishment of the 40-hour workweek in Federal service.

The CHAIRMAN. The time of the gentleman from Idaho has expired.

The question is on the amendment offered by the gentleman from Kansas [Mr. REES].

The question was taken; and on a division (demanded by Mr. REES of Kansas), there were—ayes 60, noes 85.

Mr. REES of Kansas. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. RAMSPECK and Mr. REES of Kansas.

The Committee again divided; and the tellers reported that there were—ayes 71, noes 116.

So the amendment was rejected.

The CHAIRMAN. Are there any amendments to sections 402, 403, 404, 405, 501, 502, 521, 522, and 601?

Mr. REES of Kansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I use this means of securing the floor to explain an amendment I shall offer later on in the proceedings.

I realize that there is a definite effort on the part of the majority of this committee to pass this legislation without any amendment. It is understood that there shall be no amendment. It is apparent that the majority side of this House will not support any amendment that may be submitted by a Member on this side of the aisle, and give little attention to the merits of such amendments. I do feel the majority as well as the minority should join in supporting this amendment.

I propose to offer an amendment to section 608 that in substance will provide for a congressional office of administrative management in the legislative branch of the Government. I think the time has come when the Congress should take hold of and deal with the problems that have been directed to the attention of this House during this discussion, let Congress through this office of administrative management study and determine whether or not we have too many employees, whether we have efficiency, or whether we do not have it, in place of leaving it in the hands of an agency under the direction of the Executive. After all, Congress is the representative of the people. Congress appropriates the funds to carry on the functions of government. These agencies are the servants of the people of this country.

Employment has grown and has become so much more complicated during the past few years. The cost of the civilian pay roll has become tremendous.

Mr. Chairman, there are more than 3,000,000 people on the pay roll of this country. About one for every three in the Army. There are a half million scattered in various parts of the world, who are engaged in various kinds of activities. It is estimated in this report the pay roll of Federal employees amounts to approximately $7,000,000,000. That figure is estimated for those in this country. I have just communicated with officials who estimate that the total cost is nearer eight and a half billion. And do not forget this bill adds almost another billion annually. I tried to get this House to save $300,000,000 of it, not in base pay, but only a part of the overtime pay provision of this bill. So we may as well face the fact that the Federal civilian pay roll, if this bill becomes effective, will amount to more than $9,000,000,000.

Mr. Chairman, the need of a full-time division of administrative management is evident. It is not generally known that the Civil Service Commission is a staff agency. During the emergency it has staffed only a part of the agencies. The Bureau of the Budget sort of checks with the agencies as to what the heads of the agencies feel they should have to carry on their functions. Little attention is given as to whether the functions are needed, or whether changes could be made to determine where they may be made to work more efficiently.

So my proposal would provide for the appointment of a director of administrative management and such assistant directors as necessary. It would be the function of this organization to examine and recommend legislation concerning, first, all nonessential Federal expenditures; second, overlapping and duplication of Federal activities and functions; third, excessive hiring of Federal personnel; fourth, procurement and disposal of all Federal property; fifth, all Federal personnel and administrative management practices; sixth, all requests for appropriations; seventh, exercise of authority by any Government agency in excess of constitutional or statutory authorization; and eighth, any specific problem referred to the bureau by any committee of Congress or a resolution of either House.

It is authorized to secure evidence regarding the matters which I have just enumerated and is charged with the duty of reporting its findings to the Congress, and submit recommendations upon any phase of the subject matter.

Provision is made in the amendment that the office is not to replace any committee of either the House or the Senate, and, as a matter of practical operation, the office shall be completely subservient to the Congress as a whole and to the congressional committee now in existence or which may be created in the future. I wish to make it clear that this office is not to be set up in a manner similar to any agency now in existence. Its duties and functions are completely apart and distinguishable from the duties and functions of every agency or department of the Federal Government.

Thus we would get definite information so that we can have intelligent legislation with respect to this problem. What has occurred during the last 3 days here in considering this legislation has demonstrated the need for it. Over and over and over on the floor of this House during this session of Congress we have observed the need for it. It has been suggested the Committee on Appropriations is the committee which should have charge of that function. But the Committee on Appropriations just does not have the time. It does not have the staff. It cannot devote its particular attention to this all-important question that has confronted this Congress and the American people in recent years. There may have been a time, perhaps, when it did not make so much difference, when we had only something like 500,000 people on the pay roll shortly after World War I. But the number grew by leaps and bounds until even as early as 1940 we had more than a million, and now we have more than 3,000,000 employees in the Federal Government and the Federal bureaus. I say to you that we need an agency, a management agency, to look into this thing and keep its hand on this thing. I trust you will support my amendment.

I am advised a point of order may be raised against this amendment. In my judgment, a point of order does not lie against this proposal, but I want to discuss it now so you will have the matter before you. I trust the chairman of my committee will see fit not to raise a point of order, but to let the Committee vote on the proposal.

I yield to the gentleman from Ohio.

Mr. BREHM. I think the gentleman is making a very pertinent statement. But does not the gentleman feel perhaps that this will be taken up or is being taken up by the committee which is now studying the matter of streamlining Congress?

Mr. REES of Kansas. I will say to the distinguished Member that I proposed this matter to that committee. But there is no good reason why this matter cannot be adopted by Congress without waiting for a report from that committee. I feel quite sure, as the gentleman probably does, that it may be quite a long time before we have a proposal brought to the floor of this House

coming from that committee. Here is one thing that you can act on now, if you will.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLAUGHTER. Mr. Chairman, I move to strike out the last word and ask unanimous consent that I may speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SLAUGHTER. Mr. Chairman, as a member of the Committee on Rules, I opposed the rule making in order the consideration of the bill generally known as the FEPC bill. There were several objections I had to this bill, but in particular my objection was to a legislative trick employed; I say the slickest Communist trick that has ever been worked in framing a bill. This bill provides, among other things, that there shall be no discrimination because of "creed." Of course, at first glance, everybody would say that this provision is perfectly harmless. Creed in general parlance means religion, and of course everybody is in agreement with that basic belief in this country. But creed also means political belief. I read from the dictionary available to us here on the floor of the House, Webster's International Dictionary, which defines "creed" to mean, among other things, "A summary of principles or set of opinions professed or adhered to in science or politics, or the like."

It has been my contention and my feeling all along that the word "creed" was slipped in there for the very deliberate purpose of protecting the Communists and the Communist Party in this country so that if an employer refused to hire a man or woman because they were Communists he would be guilty of discrimination and subject to all of the pains and penalties of this act. In effect, this very word would repeal the provision which is in every appropriation act that we pass in this House, for in every appropriation bill it is provided that no man or woman shall receive any of that appropriation, who advocates the overthrow of this Government by force, which doctrine the Communist Party advocates.

Now we come to the question of whether or not the Communists are backing this bill, and when the committee goes back into the House I want to offer some documents which I have received. I have a letter from the Missouri State Committee of the Communist Political Association, signed by the secretary, and a long resolution adopted by the Communist Party in St. Louis on the 11th day of this month, asking me to cast my vote in the Rules Committee to report this bill to the floor of the House to please the backers of it, to wit, the Communist Party.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. SLAUGHTER. I yield.

Mr. COLMER. I just want to say, as another member of the Rules Committee, that some of us come from sections where no particular courage is required to take the action that we took in the Rules Committee on yesterday in blocking this FEPC legislation which was similar to that taken by the gentleman from Missouri [Mr. SLAUGHTER]. But coming from a border State, as the gentleman from Missouri does, as a member of that committee, I think the country and those who think as we do, owe the gentleman from Missouri a great debt of gratitude for the courage that the gentleman exemplified on yesterday when he showed that he placed his conception of the principles of government above political expediency. Permit me to say to the gentleman that he exemplified a high type of courageous statesmanship which might well be emulated by many of us.

Mr. SLAUGHTER. I thank the gentleman.

I invite the attention of the membership of the House to these remarks in the RECORD tomorrow and to this letter and this resolution, which are included at the end of these remarks, and I leave it to the collective judgment of this House whether or not I was straining at an interpretation of the word "creed," in view of this action of the Communist Party of Missouri.

MISSOURI STATE COMMITTEE,
COMMUNIST POLITICAL ASSOCIATION,
St. Louis, Mo., June 11, 1945.

Representative ROGER SLAUGHTER,
House Office Building,
Washington, D. C.

DEAR MR. SLAUGHTER: We are enclosing a copy of a resolution passed by 450 Missouri citizens at a meeting in St. Louis June 10, 1945.

We hope and trust that your views and your vote will conform to the views expressed in this resolution.

Sincerely yours,

HELEN MUSIL.

The following resolution was passed unanimously by 450 citizens of St. Louis at a meeting sponsored by the St. Louis Communist Political Association in Kiel Auditorium, St. Louis, June 10, 1945:

"FOR A PERMANENT FEPC

"The United States is a Nation in which the majority of the people belong to one minority or another. In our country, therefore, as in no other country in the world, fair employment practice is a matter of concern to all of us. As long as one worker is turned away because he is a Negro or foreign-born or a Catholic or a Jew, no one's job is safe.

"The establishment of a permanent Fair Employment Practice Commission—a permanent FEPC—is both a war measure and a peace measure. We need FEPC to help in war production until victory; to aid in a fair distribution of jobs in the reconversion period; to help avoid chaos in gearing America to full production in the postwar years.

"The House of Representatives has refused to appropriate funds for the present temporary FEPC, and is stalling the passage of a permanent FEPC. President Truman, in strong terms, has urged Congress to speed passage of an FEPC bill. Both the Republican and Democratic Parties have officially pledged themselves to support a permanent FEPC. But a coalition of reactionary Republicans and poll-tax Democrats is stalling its passage.

"Therefore, in order to enforce equal opportunity for every American citizen regardless of race, color, creed, political affiliation or national origin, we must ensure that the Congress appropriate funds to maintain the present temporary FEPC until the Congress establishes a permanent Fair Employment Practice Commission."

Copies to President Truman, Missouri Congressmen, Missouri Senators.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. POWELL. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. RAMSPECK. Mr. Chairman, reserving the right to object, and I am not going to object, I wish to serve notice that on any future request to speak out of order I will object.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. POWELL. Mr. Chairman, I would just like to ask the gentleman from Missouri [Mr. SLAUGHTER] one question. If the word "creed" is taken out of the bill and "religious belief" substituted, would he then be for the bill?

Mr. SLAUGHTER. I would certainly give it consideration. I do not know whether I would or not.

The CHAIRMAN. Are there any amendments to section 602? Are there any amendments to section 603?

Mr. BENDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENDER: On page 20, line 10, strike out all of lines 10, 11, 12, 13, 14, and 15, and strike out "(a)" on page 19, line 24.

Mr. BENDER. Mr. Chairman, this amendment would eliminate the limitation provided for in paragraph (b) of section 603, which restricts some benefits of this bill affecting those whose compensation is $10,000 a year.

Under the provisions of this bill, a man receiving $8,000 a year actually draws $9,404. On the other hand, this bill now provides that a man drawing $10,000 a year would not even receive what he is getting under the present law, $628 additional for overtime.

While only a handful of individuals are affected by this provision, some of them are the most outstanding, capable, and invaluable men in Government service. Why should these conscientious public servants be unjustly penalized under the provisions of paragraph (b)? Most of those individuals, were they in private employment, could unquestionably earn two or three times the amount they are now receiving on the Federal pay roll.

They have had long experience in Government and their services are priceless. They are the foremost experts in their respective fields, and there is no reason in the world why this provision should operate against them. Why should they be discriminated against? As I understand it, this is a salary increase bill, not a salary decrease bill. And there is no justifiable reason why this limitation should be included.

Members of this House know the gentleman to whom I refer. There is Mr. Smith, Director of the Budget, one of the ablest men in Government service. He loses $628 a year by virtue of this provision. I could name half a dozen others in the same category who are unfairly discriminated against, because of this unreasonable provision.

I have spoken to the members of the Civil Service Committee. There has been

no valid objection raised. On the contrary, practically all of them agreed that this paragraph was quite out of order, and should be eliminated. I trust the Members of the House will agree.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield.

Mr. GROSS. If we go down to the OPA and complain about a businessman woh has to fold up, they shrug their shoulders and say, "Oh, well, but there have always got to be some casualties." Does not that apply here?

Mr. BENDER. No. There is no valid reason why, when we have agreed here to correct an injustice, we should permit any discrimination. Members of the House are aware of the expenses involved in their own service. I strongly believe that the few individuals discriminated against under paragraph (b) are some of the best men on the Federal pay roll. As a matter of fact, if you care to examine the record—and I do not mean to emphasize personalities here—you will find that those affected by this provision are among the most unselfish, hard working Government employees we have and are entirely free from any political influence.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. DICKSTEIN. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from New York is recognized for 5 minutes.

Mr. DICKSTEIN. Mr. Chairman, I have on the Clerk's desk an amendment exactly like that offered by my colleague who just preceded me, an amendment to strike out section 603 (b). I believe this section should be stricken out because it discriminates against outstanding executives in the departments, career men whose ability and experience we cannot afford to lose. Not alone does it cut off their overtime pay but it actually reduces their basic pay, and it destroys the morale of men who have a fine record and who are entitled to and deserving of a good compensation for their work.

Some of the people who would be affected are: the Director of the Bureau of the Budget; the Director of the Federal Bureau of Investigation, Mr. J. Edgar Hoover who has done such a splendid job during this emergency, who has made one of the finest records in the defense and protection of our country against saboteurs and other undesirables; the Commissioner of Civil Service; the Acting Secretary of State; and a number of other important officials in our Government would be affected. They would lose about $682 on overtime in addition to suffering an actual cut in their basic pay. I cannot support that kind of economy. I believe in all fairness to our people and the country that this subsection ought to be stricken out so that emoluments are not taken away from such men as I mentioned, who could get five times as much in private employment as they presently make in Government employment. You are destroying the morale of some valuable Government officials and it seems to me, that in fairness to these men the committee ought to agree to strike out this provision.

Mr. JACKSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the members of the committee will turn to page 27 of the report they will find an exhibit setting out the various salary grades. I think there is probably considerable merit in the suggestion that has been made except it will be found that individuals getting a base salary now of $8,750 and on up will, under the formula recommended by the gentleman from Ohio, receive a salary in excess of $10,000 a year. In other words, you will have a lot of people working in the various departments receiving as compensation an amount greater than the heads of those departments and agencies..

We have a number of experts working in the various departments drawing $8,750 and $9,000 base. If you knock out this section they will receive more than the heads of those departments and agencies and obviously it does not take much understanding of this problem to see the inequities that are bound to rise. This is something that probably can be worked out in conference.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from New York.

Mr. DICKSTEIN. If you give an $8,500 a year man $10,000, and you take a $10,000 man and take away his top pay or his overtime, you deprive him of his basic pay. It is very simple to increase the top man with an added salary up to $12,000. You are discriminating against the top men in our Government who are the backbone of our defense in war and in peace.

Mr. RAMSPECK. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Georgia.

Mr. RAMSPECK. As I understand it, the heads of some departments and agencies have salaries that are not fixed under the Classification Act but are fixed by special enactment and they are not affected by this act. Is that correct?

Mr. JACKSON. That is right, and they receive no benefit.

Mr. RAMSPECK. If this limitation is taken out, some of their subordinates will actually draw more pay than their superiors?

Mr. JACKSON. That is correct.

Mr. RAMSPECK. This limitation is not in the Senate bill, is it?

Mr. JACKSON. That is correct.

Mr. RAMSPECK. If it is left in the House bill, the conferees can deal with it?

Mr. JACKSON. That is right and that is what I suggest the committee do, because you are getting into a very complex problem which may create more inequities than you are trying to alleviate.

Mr. DICKSTEIN. Would the gentleman in conference agree to adjust that inequity on the basis of justice and equality to all the people?

Mr. JACKSON. We will naturally look at the matter very carefully and will endeavor to work out an equitable adjustment if such is possible.

I hope the Committee will vote down the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BENDER].

The amendment was rejected.

Mr. DICKSTEIN. Mr. Chairman, I have an amendment to section 603 that I have sent to the desk, and I ask that it be withdrawn.

The CHAIRMAN. Without objection, it may be withdrawn.

There was no objection.

Mr. JACKSON. Mr. Chairman, I offer an amendment to section 604.

The Clerk read as follows:

Amendment offered by Mr. JACKSON: Page 21, line 11, before "(2)", insert "and"; and strike out lines 18 to 20, inclusive, and insert "second proviso in such section. The first sentence of section 6 of the act of June 30, 1906 (34 Stat. 763; U. S. C., 1940 ed., title 5, sec. 84), is amended by inserting after 'United States' the following: '(except persons subject to section 604 of the Federal Employees Pay Act of 1945, and persons in or under the judicial branch of the Government)"; and the last sentence of such section 6 is amended by striking out 'Any person' and inserting 'Any such person.'"

Mr. JACKSON. Mr. Chairman, I rise in support of the amendment. I have discussed this with the ranking minority member of the committee and he has no objection. It has been requested by the disbursing clerks of the House and Senate. It would exempt the legislative branch from the provisions of this section of the bill.

Mr. REES of Kansas. Mr. Chairman, we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington [Mr. JACKSON].

The amendment was agreed to.

Mr. REES of Kansas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REES of Kansas: Page 26, line 6, add new sections, to read as follows:

"SEC. 608. (a) There is hereby established in the legislative branch of the Federal Government a Congressional Office of Administrative Management (hereinafter referred to as the 'Office'), responsible only to the Congress. The Office shall be headed by a qualified Director, who shall be selected by the majority and minority leaders of both Houses of Congress and the Speaker of the House of Representatives as soon as practicable after the beginning of the first session of each new Congress, except that the first Director shall be selected within 30 days after the date of enactment of this act.

"(b) The Director, as soon as practicable after being selected, shall appoint two qualified Assistant Directors, not more than one of whom shall belong to the same political party as the Director.

"(c) The Director shall receive compensation at the rate of $9,000 per annum, and each Assistant Director at the rate of $7,500 per annum.

"(d) The Director shall appoint, pursuant to the provisions of the civil-service laws, such employees as may be necessary to carry out the functions of the Office under this title. The Director shall prescribe the duties of such employees, and shall fix their compensation in accordance with the Classification Act of 1923, as amended.

"SEC. 609. (a) It shall be the duty of the Office to study and investigate and to report and make recommendations to the Congress

concerning the following matters: (1) Excessive numbers of personnel in the Federal Government; (2) overlapping and duplication of Federal functions and activities which cause the employment of an excessive number of Federal employees; (3) all Federal personnel and administrative management practices; (4) all requests for appropriations for Federal personnel; and (5) any specific problem relating to the foregoing referred to the Office by a resolution of the Senate or the House of Representatives, or by the action of any standing, select, or special congressional committee.

"(b) The Office is authorized to receive and to obtain evidence with respect to all matters set forth in subsection 608 (a) hereof.

"(c) The Director shall, as frequently as possible, analyze reports of investigation made pursuant to the provisions of this title, and shall prepare recommendations and proposed legislation for submission to the appropriate congressional committee or committees.

"(d) In carrying out the provisions of this title, the Office is authorized to make free use of the mails in the same manner as the executive departments of the Government; and to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, or documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. Subpenas may be issued under the signature of the Director or any Assistant Director designated by him, and may be served by any person designated by such Director or Assistant Director. The provisions of sections 102 to 104, inclusive, of the Revised Statutes, shall apply in the case of the failure of any witness to comply with any subpena or to testify when summoned under the authority of this title.

"(e) In addition to other reports which it shall make from time to time as herein provided, the Office shall make an annual report to the Congress on or before the 1st day of November of each calendar year. Such report shall contain, in addition to a general statement regarding the work of the Office, specific information, data, and recommendations upon the matters set forth in this section.

"SEC. 610. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1946, the sum of $250,000 and for each fiscal year thereafter such sum as may be necessary to carry out the provisions of this title. So much of such fund as is necessary may be used for travel and other expenses as is authorized by the Director.

"SEC. 611. Nothing in this title shall be construed as in anywise modifying, repealing, or otherwise changing existing law; nor shall the provisions of this title be construed as affecting the duties or activities of any duly authorized standing, select, or special committee of the Congress."

And by renumbering section 608, section 609, and section 610 to read "Sec. 612," "Sec. 613," and "Sec. 614," respectively.

Mr. RAMSPECK. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill; that it brings in new matter, setting up a new agency, which has no relation to the purposes of this bill.

The CHAIRMAN. Does the gentleman from Kansas wish to be heard on the point of order?

Mr. REES of Kansas. Briefly, Mr. Chairman.

I will say, in the first instance, I had hoped that my distinguished chairman would not raise a point of order against this amendment because it is in the interest of the Government and in the interest of this Congress and the people of the United States. Secondly, this bill H. R. 3393, under the terms of its title, says:

To improve salary and wage administration in the Federal service; to provide pay for overtime and for night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in Federal personnel and to establish personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes.

It is my contention that under the terms of this title the amendment is germane, since the title amends the Classification Act and brings about a reduction in Federal personnel and establishes personnel ceilings for Federal departments and agencies.

I will not argue the matter further, but I do believe it comes under the broad provisions of the title and that a point of order does not lie against my amendment.

The CHAIRMAN (Mr. KEOGH). The gentleman from Kansas has offered an amendment which has for its purpose the creation in the legislative branch of the Government of a congressional Office of Administrative Management. The pending bill has for its primary and basic objective the improvement and adjustment of the wage and salary schedules in the Federal service. The amendment offered by the gentleman from Kansas seeks to create a new agency of Government. It is, in the opinion of the Chair, not germane to the pending bill, and the Chair therefore sustains the point of order.

Are there any amendments to be offered to section 608? 609? 610?

Mr. RAMSPECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Idaho and I had some discussion a while ago about the number of employees within the continental limits of the United States. I believe he is correct when he says there are more in the continental limits of the United States today than there were a year ago today. What I should have said and what I really had in my mind is that there has been a net reduction in this fiscal year so far. The figures fluctuate from month to month. As I recall it, the net reduction since July 1 is about 25,000 or 26,000.

There is just one other thing I want the RECORD to show and that is the present pay roll of the Government as shown in the hearings is $7,000,000,000 instead of $9,000,000,000.

Mr. DWORSHAK. Mr. Chairman, will the gentleman yield at that point?

Mr. RAMSPECK. I yield.

Mr. DWORSHAK. Does that include the pay roll for the half million serving outside of the United States or just within the continental limits?

Mr. RAMSPECK. That is my understanding according to the testimony.

Mr. DWORSHAK. The $7,000,000,000 covers just those working in the continental limits of the United States?

Mr. RAMSPECK. No, it is my understanding that is the entire pay roll. That is what is stated in the report.

Mr. DWORSHAK. That is not in accordance with the figures given me by the Civil Service Commission. According to them that would apply only to the continental United States.

Mr. RAMSPECK. I was just referring to the statement which was given to the committee by the Bureau of the Budget and which is found on page 23 of the report where we have a discussion of that matter.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. RAMSPECK. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3393) to improve salary and wage administration in the Federal service; to provide pay for overtime and for night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in Federal personnel and to establish personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. RAMSPECK. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. RAMSPECK. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 317, nays 36, answered "present" 1, not voting 78, as follows:

[Roll No. 110]

YEAS—317

Adams	Blackney	Cannon, Mo.
Allen, La.	Bland	Carnahan
Anderson, Calif.	Bolton	Case, N. J.
Andrews, N. Y.	Bonner	Case, S. Dak.
Angell	Boykin	Celler
Arnold	Bradley, Mich.	Chelf
Auchincloss	Brehm	Chenoweth
Bailey	Brooks	Chiperfield
Baldwin, Md.	Brown, Ga.	Clark
Barden	Brown, Ohio	Clevenger
Barrett, Pa.	Brumbaugh	Cochran
Barrett, Wyo.	Bryson	Cole, Kans.
Barry	Buck	Cole, Mo.
Bates, Ky.	Buckley	Colmer
Bates, Mass.	Bunker	Combs
Beall	Burch	Cooper
Beckworth	Burgin	Corbett
Bell	Butler	Courtney
Bender	Byrne, N. Y.	Cox
Bennet, N. Y.	Byrnes, Wis.	Crosser
Bennett, Mo.	Camp	Cunningham
Biemiller	Campbell	D'Alesandro
Bishop	Canfield	Daughton, Va.

Davis	Holmes, Mass.	Pittenger
Dawson	Hook	Poage
De Lacy	Horan	Powell
Delaney, James J.	Howell	Powers
	Huber	Price, Fla.
Delaney, John J.	Hull	Priest
	Izac	Quinn, N. Y.
Dickstein	Jackson	Rabin
Dingell	Jenkins	Rains
Dolliver	Jennings	Ramey
Domengeaux	Johnson, Ill.	Ramspeck
Douglas, Calif.	Johnson,	Randolph
Douglas, Ill.	Lyndon B.	Rankin
Doyle	Johnson, Okla.	Rayfiel
Drewry	Jonkman	Reece, Tenn.
Eberharter	Judd	Reed, N. Y.
Elliott	Kean	Resa
Ellis	Kearney	Riley
Ellsworth	Kee	Rivers
Elsaesser	Keefe	Rizley
Elston	Kelley, Pa.	Robertson, N. Dak.
Engel, Mich.	Kelly, Ill.	
Engle, Calif.	Keogh	Robinson, Utah
Fallon	Kerr	Rockwell
Feighan	Kilday	Roe, Md.
Fenton	King	Rogers, Fla.
Fernandez	Kinzer	Rogers, Mass.
Fisher	Kirwan	Rogers, N. Y.
Flannagan	Knutson	Rooney
Flood	Kopplemann	Rowan
Fogarty	Kunkel	Russell
Folger	Lane	Ryter
Forand	Lanham	Sadowski
Fuller	Larcade	Sasscer
Fulton	Latham	Savage
Gallagher	Lea	Schwabe, Okla.
Gamble	LeFevre	Shafer
Gardner	Lemke	Slaughter
Gary	Lesinski	Smith, Maine
Gavin	Luce	Smith, Va.
Gearhart	Ludlow	Smith, Wis.
Geelan	Lyle	Snyder
Gerlach	Lynch	Somers, N. Y.
Gibson	McConnell	Sparkman
Gifford	McCowen	Spence
Gillespie	McDonough	Springer
Gillette	McGehee	Starkey
Gillie	McGlinchey	Stevenson
Goodwin	McGregor	Stigler
Gordon	McKenzie	Stockman
Gore	McMillan, S. C.	Sullivan
Gossett	Madden	Sumners, Tex.
Graham	Mahon	Sundstrom
Granahan	Maloney	Talle
Granger	Manasco	Tarver
Green	Mansfield, Mont.	Taylor
Gregory		Thom
Griffiths	Mansfield, Tex.	Thomas, N. J.
Gross	Marcantonio	Thomas, Tex.
Hale	Martin, Mass.	Thomason
Hall, Edwin Arthur	May	Tibbott
	Merrow	Tolan
Hall, Leonard W.	Miller, Calif.	Torrens
	Monroney	Towe
Halleck	Morgan	Traynor
Hancock	Morrison	Trimble
Hand	Mott	Vinson
Hare	Mundt	Voorhis, Calif.
Harless, Ariz.	Murdock	Walter
Harness, Ind.	Murphy	Wasielewski
Harris	Neely	Weaver
Hartley	Norton	Weichel
Havenner	O'Brien, Ill.	Weiss
Hays	O'Brien, Mich.	Welch
Healy	O'Hara	Wickersham
Hedrick	O'Neal	Wigglesworth
Heffernan	Outland	Wilson
Hendricks	Patman	Winstead
Henry	Patrick	Wolcott
Heselton	Patterson	Wolfenden, Pa.
Hess	Peterson, Fla.	Wolverton, N. J.
Hill	Peterson, Ga.	Woodhouse
Hinshaw	Philbin	Woodruff, Mich.
Hoch	Phillips	Woodrum, Va.
Hoeven	Pickett	Worley

NAYS—36

Abernethy	Hope	Schwabe, Mo.
Andersen, H. Carl	Jensen	Scrivner
	LeCompte	Sumner, Ill.
Arends	Lewis	Taber
Buffett	McMillen, Ill.	Vorys, Ohio
Bulwinkle	Michener	Vursell
Church	Miller, Nebr.	Wadsworth
Cole, N. Y.	Mills	West
Crawford	Murray, Wis.	Whittington
Curtis	Norrell	Wood
Doughton, N. C.	O'Konski	Zimmerman
Dworshak	Rees, Kans.	
Ervin	Rich	

ANSWERED "PRESENT"—1

Dondero

NOT VOTING—78

Allen, Ill.	Grant, Ind.	Pace
Anderson, N. Mex.	Gwinn, N. Y.	Pfeifer
	Gwynne, Iowa	Ploeser
Andresen, August H.	Hagen	Plumley
	Hart	Price, Ill.
Andrews, Ala.	Hébert	Rabaut
Baldwin, N. Y.	Herter	Reed, Ill.
Bloom	Hobbs	Richards
Boren	Hoffman	Robertson, Va.
Bradley, Pa.	Holifield	Robsion, Ky.
Cannon, Fla.	Holmes, Wash.	Rodgers, Pa.
Carlson	Jarman	Roe, N. Y.
Chapman	Johnson, Calif.	Sabath
Clason	Johnson, Ind.	Sharp
Clements	Johnson, Luther A.	Sheppard
Coffee		Sheridan
Cooley	Jones	Short
Cravens	Kefauver	Sikes
Curley	Kilburn	Simpson, Ill.
Dirksen	LaFollette	Simpson, Pa.
Durham	Landis	Smith, Ohio
Earthman	Link	Stefan
Eaton	McCormack	Stewart
Fellows	Martin, Iowa	Talbot
Gathings	Mason	White
Gorski	Murray, Tenn.	Whitten
Grant, Ala.	O'Toole	Winter

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. McCormack for, with Mr. Dondero against.

Mr. Holmes of Washington for, with Mr. Smith of Ohio against.

Mr. Herter for, with Mr. Hoffman against.

General pairs:

Mr. Whitten with Mr. Ploeser.

Mr. Rabaut with Mr. Stefan.

Mr. Holifield with Mr. Martin of Iowa.

Mr. Sheppard with Mr. Johnson of Indiana.

Mr. Jarman with Mr. Grant of Indiana.

Mr. Pfeifer with Mr. Hagen.

Mr. Hart with Mr. Talbot.

Mr. Coffee with Mr. Baldwin of New York.

Mr. Roe of New York with Mr. LaFollette.

Mr. Bradley of Pennsylvania with Mr. Reed of Illinois.

Mr. Sheridan with Mr. Robsion of Kentucky.

Mr. Bloom with Mr. Simpson of Illinois.

Mr. Kefauver with Mr. Fellows.

Mr. Price of Illinois with Mr. Carlson.

Mr. O'Toole with Mr. August H. Andresen.

Mr. Cravens with Mr. Jones.

Mr. Cannon of Florida with Mr. Allen of Illinois.

Mr. Sikes with Mr. Dirksen.

Mr. Hobbs with Mr. Kilburn.

Mr. Chapman with Mr. Short.

Mr. Pace with Mr. Rodgers of Pennsylvania.

Mr. Clements with Mr. Plumley.

Mr. White with Mr. Mason.

Mr. Andrews of Alabama with Mr. Eaton.

Mr. Grant of Alabama with Mr. Clason.

Mr. Sabath with Mr. Gwynne of Iowa.

Mr. Gorski with Mr. Johnson of California.

Mr. Curley with Mr. Simpson of Pennsylvania.

Mr. Durham with Mr. Winter.

Mr. Cooley with Mr. Landis.

Mr. HOFFMAN. Mr. Speaker, I was in my office consulting with some of my constituents. I did not get here until after my name was passed. I understand I cannot qualify?

The SPEAKER. The gentleman does not qualify.

Mr. DONDERO. Mr. Speaker, I have a live pair with the majority leader, the gentleman from Massachusetts, Mr. McCORMACK. If he were present he would vote "aye." I voted "no." Therefore, I withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 807) to improve salary and wage administration in the Federal service; to provide pay for overtime and for night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in Federal personnel and to establish personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

The was no objection.

The Clerk read the bill, as follows:

TITLE I—COMPENSATION FOR OVERTIME, NIGHT, AND HOLIDAY WORK

COVERAGE

SEC. 101. The provisions of this title shall, except as provided in section 401, apply to (a) all civilian officers and employees in or under the executive branch of the United States Government, including Government owned or controlled corporations; (b) all civilian employees of the Library of Congress, the Botanic Garden, or the Office of the Architect of the Capitol, except those covered by section 202 (c); and (c) those employees of the District of Columbia municipal government who occupy positions subject to the Classification Act of 1923, as amended.

OVERTIME PAY

SEC. 102. Officers and employees to whom this title applies shall be compensated for all hours of employment, officially ordered or approved, in excess of 40 hours in any administrative workweek, at one and one-half times their basic rate of compensation: *Provided*, That in determining the overtime compensation of per anum officers and employees, the pay for 1 hour shall be considered to be one two-thousand-eight-hundred-and-eightieth of their respective per annum salaries: *And provided further*, That such overtime shall be paid only on such portion of an officer's or employee's basic rate of compensatin as is not in excess of a rate of $2,900 per annum.

COMPENSATORY TIME OFF FOR IRREGULAR OR OCCASIONAL OVERTIME WORK

SEC. 103. (a) The heads of departments, establishments, and agencies may by regulation provide for the granting of compensatory time off from duty, in lieu of overtime compensation for irregular or occasional duty in excess of 48 hours in any regularly scheduled administrative workweek, to those per annum employees requesting such compensatory time off from duty.

(b) The Architect of the Capitol may, in his discretion, grant per annum employees compensatory time off from duty in lieu of overtime compensation for any work in excess of 40 hours in any regularly scheduled administrative workweek.

NIGHT PAY DIFFERENTIAL

SEC. 104. Any officer or employee to whom this title applies who is assigned to a regularly scheduled tour of duty, any part of which falls between the hours of 6 o'clock p. m., and 6 o'clock a. m., shall, for duty between such hours, excluding periods when he is in a leave status, be paid compensation at a rate 10 percent in excess of his basic rate of compensation for duty between other hours: *Provided*, That such differential for night duty shall not be included in computing any overtime compensation to which the

officer or employee may be entitled: *And provided further*, That this section shall not operate to modify the provisions of the act of July 1, 1944 (Public Law No. 394, 78th Cong.), or any other law authorizing additional compensation for night work.

PAY FOR HOLIDAY WORK

SEC. 105. Officers and employees to whom this title applies who are assigned to duty on a holiday established by Federal statute or Executive order shall be compensated for such duty, excluding periods when they are in leave status, in lieu of their regular pay for that day, at the rate of one and one-half times the regular basic rate of compensation: *Provided*, That extra holiday compensation paid under this section shall not serve to reduce the amount of overtime compensation to which the employee may be entitled under this or any other act during the administrative workweek in which the holiday occurs, but such extra holiday compensation shall not be considered to be a part of the basic compensation for the purpose of computing such overtime compensation: *And provided further*, That this section shall take effect upon the termination of the present war or such earlier time as the Congress by concurrent resolution or the President may designate.

TITLE II—EMPLOYEES OF LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT

COVERAGE

SEC. 201. The provisions of this title shall, except as provided in section 401, apply to officers and employees in or under the judicial branch of the Government whose compensation is not fixed in accordance with the Classification Act of 1923, as amended, to those employees in or under the legislative branch of the Government not provided for under the provisions of title I, and to the official reporters of proceedings and debates of the Senate and their employees.

ADDITIONAL COMPENSATION

SEC. 202. (a) During the period beginning on July 1, 1945, and ending on June 30, 1947, officers and employees to whom this title applies shall, except as provided in subsections (b), (c), and (d), be paid additional compensation at the rate of (1) $360 per annum if their earned basic compensation is at a rate of not more than $1,565 per annum, or (2) 23 percent of so much of their earned basic compensation as does not exceed a rate of $2,900 per annum, if their earned basic compensation is at a rate in excess of $1,565 per annum.

(b) Officers and employees to whom this title applies and whose hours of duty are less than full time, or whose compensation is based upon other than a time period basis shall be paid, in lieu of additional compensation under subsection (a), additional compensation at a rate of 23 percent of so much of their earned basic compensation as does not exceed a rate of $2,900 per annum.

(c) In lieu of overtime pay under title I, per annum employees under the Office of the Architect of the Capitol who are not compensated in accordance with the Classification Act of 1923, as amended, and intermittent elevator operators under such Office who are paid at hourly rates, shall be paid additional compensation in accordance with the provisions of this section.

(d) In no case shall any officer or employee be paid additional compensation under this section for any pay period amounting to more than 25 percent (or, in the case of employees of the Senate restaurant whose hours of duty are less than full time, more than 15 percent) of his earned basic compensation for such pay period.

TITLE III—AMENDMENTS TO CLASSIFICATION ACT OF 1923, AS AMENDED

COVERAGE

SEC. 301. The provisions of this title shall apply to all officers and employees in or under the United States Government, including Government-owned or controlled corporations, or of the municipal government of the District of Columbia, who occupy positions subject to the Classification Act of 1923, as amended.

ESTABLISHMENT OF RATES FOR CLASSES OF POSITIONS WITHIN GRADES

SEC. 302. Section 3 of the Classification Act of 1923, as amended, is further amended by inserting at the end of such section a paragraph reading as follows:

"In subdividing any grade into classes of positions, as provided in the foregoing paragraph, the Civil Service Commission, whenever it deems such action warranted by the nature of the duties and responsibilities of a class of positions in comparison with other classes in the same grade, and in the interests of good administration, is authorized to establish for any such subdivision or class a minimum rate, which shall be one of the pay rates, but not in excess of the middle rate, of that grade as set forth in section 13 of this act, as amended. Whenever the Commission shall find that within the same Government organization and at the same location gross inequities exist between basic per annum rates of pay fixed for any class of positions under this act and the compensation of employees whose basic rates of pay are fixed by wage boards or similar administrative authority serving the same purpose, the Commission is hereby empowered, in order to correct or reduce such inequities, to establish as the minimum rate of pay for such class of positions any rate not in excess of the middle rate within the range of pay fixed by this act for the grade to which such class of positions is allocated. For the purposes of this section the fourth rate of a six-rate grade shall be considered to be the middle rate of that grade. Minimum rates established under this section shall be duly published by regulation and may be revised from time to time by the Commission. The Commission shall make a report of such actions or revisions with the reasons therefor to Congress at the end of each fiscal year."

PERIODIC WITHIN-GRADE SALARY ADVANCEMENTS

SEC. 303. Subsection (b) of section 7 of the Classification Act of 1923, as amended, is hereby further amended by sustituting "12" for "18", "18" for "30", and "month" for "quarter"; by substituting "less than $200" for "$60 or $100", and "$200 or more" for "$200 or $250"; by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) That an employee shall not be advanced unless his current efficiency is good or better than good.";

by renumbering paragraph (4) as paragraph "(3)"; and by inserting at the end of such subsection a new sentence as follows: "The Commission shall present an annual report to the Congress covering, by departments and agencies, the compensation advancements effectuated under the provisions of this subsection."

REWARDS FOR SUPERIOR ACCOMPLISHMENT; AUTHORIZATION AND LIMITATIONS

SEC. 304. Subsection (f) of section 7 of the Classification Act of 1923, as amended, is hereby further amended to read as follows:

"(f) Within the limit of available appropriations, as a reward for superior accomplishment, under standards to be promulgated by the Civil Service Commission, and subject to prior approval by the Civil Service Commission, or delegation of authority as provided in subsection (g), the head of any department or agency is authorized to make additional within-grade compensation advancements, but any such additional advancements shall not exceed one step and no employee shall be eligible for more than one additional advancement hereunder within each of the time periods specified in subsection (b). All actions under this subsection and the reasons therefor shall be reported to the Civil Service Commission. The Commission shall present an annual consolidated report to the Congress covering the numbers and types of actions taken under this subsection."

REWARDS FOR SUPERIOR ACCOMPLISHMENT; RESPONSIBILITY OF CIVIL SERVICE COMMISSION

SEC. 305. Subsection (g) of section 7 of the Classification Act of 1923, as amended, is hereby further amended to read as follows:

"(g) The Civil Service Commission is hereby authorized to issue such regulations as may be necessary for the administration of this section. In such regulations the Commission is hereby empowered, in its discretion, to delegate to the head of any department or agency, or his designated representative, the authority to approve additional within-grade compensation advancements provided for in subsection (f), without prior approval in individual cases by the Commission, and to withdraw or suspend such authority from time to time, whenever post-audit of such actions by the Commission indicates that standards promulgated by the Commission have not been observed."

INCREASE IN BASIC RATES OF COMPENSATION

SEC. 306. (a) Each of the existing rates of basic compensation set forth in section 13 of the Classification Act of 1923, as amended, except those affected by subsection (b) of this section, is hereby increased by 20 percent of that part thereof which is not in excess of $1,200 per annum, plus 10 percent of that part thereof which is in excess of $1,200 per annum but not in excess of $4,600 per annum, plus 5 percent of that part thereof which is in excess of $4,600 per annum. Such augmented rates shall be considered to be the regular basic rates of compensation provided by such section.

(b) (1) The proviso to the fifth paragraph under the heading "Crafts, protective, and custodial service" in section 13 of the Classification Act of 1923, as amended, is hereby amended to read as follows: "*Provided*, That charwomen working part time be paid at the rate of 78 cents an hour, and head charwomen at the rate of 83 cents an hour."

(2) Such section is amended so as to provide the following rates of compensation for positions in the clerical-mechanical service:

Grade 1, 78 to 85 cents an hour.
Grade 2, 91 to 98 cents an hour.
Grade 3, $1.05 to $1.11 an hour.
Grade 4, $1.18 to $1.31 an hour.

(c) The increase in existing rates of basic compensation provided by this section shall not be construed to be an "equivalent increase" in compensation within the meaning of section 7 (b) (1) of the Classification Act of 1923, as amended.

TITLE IV—GENERAL PROVISIONS

GENERAL EXEMPTIONS

SEC. 401. (a) The provisions of this act shall not apply to elected officials, judges, or heads of departments, independent establishments, and agencies. As used in this subsection the term "elected officials" shall not include officers elected by the Senate or House of Representatives who are not Members of either body.

(b) The provisions of this act, except the provisions of section 406, shall no apply to (1) officers and employees in the field service of the Post Office Department; (2) employees whose basic compensation is fixed and adjusted from time to time in accordance with prevailing rates by wage boards or similar administrative authority serving the same purpose; (3) employees outside the continental limits of the United States, including Alaska, who are paid in accordance with local native prevailing wage rates for the area in which employed; (4) officers and employees of the Inland Waterways Corporation and officers and employees of the Tennessee

Valley Authority; (5) individuals to whom the provisions of section 1 (a) of the act of March 24, 1943 (Public Law No. 17, 78th Cong.), are applicable; and (6) employees of the Transportation Corps of the Army of the United States on vessels operated by the United States, and vessel employees of the Coast and Geodetic Survey, and such employees may be compensated in accordance with the wage practices of the maritime industry.

EFFECT ON EXISTING LAWS AFFECTING CERTAIN INSPECTIONAL GROUPS

SEC. 402. The provisions of this act shall not operate to prevent payment for overtime services or extra pay for Sunday or holiday work in accordance with any of the following statutes: Act of February 13, 1911, as amended (U. S. C., title 19, secs. 261 and 267); act of July 24, 1919 (U. S. C., title 7, sec. 394); act of June 17, 1930, as amended (U. S. C., title 19, secs. 1450, 1451, and 1452); act of March 2 1931 (U. S. C., title 8, secs. 109a and 109b); act of May 27, 1936, as amended (U. S. C., title 46, sec. 382b); act of March 23, 1941 (U. S. C., Supp. IV, title 47, sec. 154 (f) (2)); act of June 3, 1944 (Public Law No. 328, 78th Cong.): *Provided*, That the overtime, Sunday, or holiday services covered by such payment shall not also form a basis for overtime or extra pay under title I of this act.

INCREASE IN BASIC RATES FOR CUSTOMS EMPLOYEES

SEC. 403. The existing basic rates of pay set forth in the act entitled "An act to adjust the compensation of certain employees in the Customs Service", approved May 29, 1928, as amended, and those set forth in the second paragraph of section 24 of the Immigration Act of 1917, as amended, are hereby increased in the same amount as corresponding rates for positions subject to the Classification Act of 1923, as amended, would be increased under the provisions of section 306 of this act; and each such augmented rate shall be considered to be the regular basic rate of compensation.

ESTABLISHMENT OF BASIC WORKWEEK

SEC. 404. It shall be the duty of the heads of the several executive departments, independent establishments, and agencies, including Government-owned or Government-controlled corporations, and the municipal government of the District of Columbia, to establish for all full-time employees in their respective organizations, in the departmental and the field services, a basic administrative workweek of 40 hours, and to require that the hours of work in such workweek be performed within a period of not more than six of any seven consecutive days. The provisions of the Saturday half-holiday law of March 3, 1931 (46 Stat. 1482; U. S. C., title 5, sec. 26 (a)), shall not be applicable to employees in such organizations. The provisions of so much of section 5 of the act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1894, and for other purposes, as amended (30 Stat. 316; U. S. C., title 5, sec. 29), as precedes the second proviso in such section is hereby repealed.

REGULATIONS

SEC. 405. The Civil Service Commission is hereby authorized to issue such regulations as may be necessary for the administration of the foregoing provisions of this act, subject to the approval of the President, insofar as this act affects employees in or under the executive branch of the Government.

PERSONNEL CEILINGS

SEC. 406. (a) It is hereby declared to be the sense of the Congress that in the interest of economy and efficiency the heads of departments and agencies in the executive branch of the Government shall terminate the employment of such of the employees thereof as are not required for the proper and efficient performance of the functions of their respective departments and agencies.

(b) The heads of departments and agencies in the executive branch shall present to the Director of the Bureau of the Budget such information as the Director shall from time to time, but at least quarterly, require for the purpose of determining the numbers of full-time civilian employees and the man-months of part-time civilian employment required within the United States for the proper and efficient performance of the authorized functions of their respective departments and agencies. The Director shall, within 60 days after the date of enactment of this act and from time to time, but at least quarterly, thereafter, determine the numbers of employees and man-months of employment so required, and any personnel or employment in such department or agency in excess thereof shall be released or terminated at such times as the Director shall order. Such determinations, and any numbers of employees or man-months of employment paid in violation of the orders of the Director, shall be reported quarterly to the Congress. Each such report shall include a statement showing for each department and agency the net increase or decrease in such employees and employment as compared with the corresponding data contained in the next preceding report, together with any suggestions the Director may have for legislation which would bring about economy and efficiency in the use of Government personnel.

(c) Determinations by the Director of numbers of employees and man-months of employment required shall be by such appropriation units or organization units as he may deem appropriate.

(d) The Director of the Bureau of the Budget shall maintain a continuous study of all appropriations and contract authorizations in relation to personnel employed and shall, under such policies as the President may prescribe, reserve from expenditure any savings in salaries, wages, or other categories of expense which he determines to be possible as a result of reduced personnel requirements. Such reserves may be released by the Director for expenditure only upon a satisfactory showing of necessity.

(e) As used in this section—

(1) the term "United States" shall include the Territories and possessions;

(2) the term "full-time civilian employees" shall include full-time intermittent (when actually employed), $1 per year, without compensation, and casual workers, as defined by the Civil Service Commission; and

(3) the term "part-time civilian employment" shall include part-time employment by intermittent (when actually employed), $1 per year, without compensation, and casual workers, as defined by the Civil Service Commission.

(f) Until the cessation of hostilities in the present war as proclaimed by the President, the provisions of this section shall not be applicable to employees of the War and Navy Departments except those who are subject to the provisions of title I of this act.

APPROPRIATION AUTHORIZED

SEC. 407. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 408. Amounts payable under the provisions of this act, other than as an increase in the basic rates under title III or under section 403, shall not be considered in determining the amount of a person's annual income or annual rate of compensation for the purposes of paragraph II (a) of part III of Veterans Regulation No. 1 (a), as amended, or section 212 of title II of the act entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1933, and for other purposes," approved June 30, 1932, as amended.

REPEAL OF CONFLICTING PROVISIONS OF EXISTING LAW

SEC. 409. All laws or parts of laws in conflict with the provisions of this act are hereby repealed.

EFFECTIVE DATE

SEC. 410. This act shall take effect on July 1, 1945.

Mr. RAMSPECK. Mr. Speaker, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. RAMSPECK: Strike out all after the enacting clause in the bill S. 807 and substitute the provisions of the bill H. R. 3393 just passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 3393) was laid on the table.

PERSONAL EXPLANATION

Mr. ROBERTSON of Virginia. Mr. Speaker, I was unavoidably detained and when I reached the floor of the House the Clerk had passed my name. Consequently I had no opportunity to vote on the pay bill just passed.

EXTENSION OF REMARKS

Mr. BARRY asked and was given permission to extend his remarks in the RECORD and include a poem written on the death of President Roosevelt.

Mr. WOODRUFF of Michigan asked and was given permission to extend his remarks in the RECORD and include a letter addressed to the Members of the Senate from the National Brotherhood of Operative Potters, and also a statement submitted to the Senate Finance Committee by that organization.

Mrs. LUCE asked and was given permission to extend her remarks in the RECORD in two instances and include a short description of the composition of the present provisional government in Austria.

Mr. DWORSHAK asked and was given permission to revise and extend the remarks which he made in the Committee of the Whole and include a brief tabulation prepared by the United States Civil Service Commission.

Mr. SLAUGHTER asked and was given permission to revise and extend the remarks he made in the Committee of the Whole during the consideration of the bill H. R. 3393, and include a resolution as part of his remarks.

DISTRICT OF COLUMBIA APPROPRIATION, 1946

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3306) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1946, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. O'BRIEN of Illinois, CURLEY, GORE, O'NEAL, STEFAN, JENSEN, and HORAN.

GALLINGER MUNICIPAL HOSPITAL

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 3257) to remove restrictions to the appointment of retired officers of the United States Public Health Service as Superintendent of Gallinger Municipal Hospital in the District of Columbia, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, I understand that this legislation applies only to one individual and that it is an emergency? Further, I understand that the man will draw but one salary?

Mr. RANDOLPH. That is true. Gallinger Hospital needs the services of a competent Superintendent at the present time and they desire to allow the individual to take the salary attaching to the superintendency or the retired pay, whichever he elects. They need a good man now.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the limitations of existing law, the Commissioners of the District of Columbia may appoint any retired officer of the United States Public Health Service to the position of Superintendent of Gallinger Municipal Hospital and pay him a salary at the rate of $8,000 per annum and in addition to pay him at the rate of not to exceed $1,500 per annum for commutation of living quarters until such time as a new Superintendent's residence at said hospital has been constructed and is ready for occupancy. Such retired officer may receive such salary and commutation of living quarters or his retired pay, whichever he may elect. If he elects to receive his retired pay he shall receive neither such salary nor such commutation of living quarters. If he elects to receive such salary, with or without commutation of living quarters, he shall not receive his retired pay, but any such retired officer who elects to receive such salary shall not, because of his appointment to or service in such position as Superintendent, be deprived of his status as such retired officer, nor, at the termination of such service as Superintendent, to his retired pay.

SEC. 2. This act shall remain in force during the present war and for a period of 6 months following the termination of the war.

With the following committee amendments:

On page 1, line 5, after the word "Service", insert "or any retired civilian employee of the United States Government or District of Columbia government."

Page 2, line 5, after the word "officer", insert "or retired civilian employee."

Line 7, after the word "pay", insert the words "or retirement benefits."

Line 9, after the word "pay", insert the words "or retirement benefits."

Line 13, after the word "pay", insert the words "or retirement benefits"; and after the word "officer", insert the words "or retired civilian employee."

Line 17, after the word "officer", insert the words "or retired civilian employee."

Line 18, after the word "Superintendent", insert the words "his right."

Line 19, after the word "pay", insert the words "or retirement benefits."

Line 20, insert the following:

"SEC. 2. The Surgeon General of the United States Public Health Service may detail, at the request of the Commissioners of the District of Columbia, any commissioned officer of such Service to act as Superintendent of Gallinger Municipal Hospital, said officer to receive during the period he is so detailed the salary and commutation of living quarters provided in section 1 hereof in lieu of his salary as an officer of the United States Public Health Service."

Page 3, line 3, change "2" to "3."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "A bill to remove restrictions to the appointment of retired officers of the United States Public Health Service or retired civilian employees of the United States Government or District of Columbia government as Superintendent of Gallinger Municipal Hospital in the District of Columbia, and for other purposes."

EXTENDING THE TERMINATION DATE UNDER THE RENEGOTIATION ACT

Mr. DOUGHTON of North Carolina. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 3395, to extend through December 31, 1945, the termination date under the Renegotiation Act.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 3395, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the agreement, the gentleman from North Carolina is recognized for 1 hour and the gentleman from Minnesota will be recognized for 1 hour.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill under consideration, H. R. 3385, was unanimously reported by the Committee on Ways and Means and deals with renegotiation and repricing of war contracts.

Section 1 of the bill extends through December 31, 1945, the termination date of the Renegotiation Act of 1943. Under this act, the termination date for renegotiation of war contracts was fixed as of December 31, 1944, unless hostilities terminated at an earlier date. However, in this act, the President was given authority to extend the date for termination of renegotiation of war contracts to June 30, 1945, if he found and declared by proclamation that competitive conditions had not been restored. Under this authority, the President, on November 14, 1944, by proclamation, extended the termination date until June 30, 1945.

Your committee were of the opinion that competitive conditions still were not sufficient to prevent, in all cases, excessive profits on contracts being entered into and necessary for the prosecution of the war with Japan. Conditions confronting our forces in the Pacific require a different type of equipment, in some cases, from that employed in the war with Germany, and for this reason, additional time was thought necessary in order to secure sufficient experience to protect the Government from excessive profits. Moreover, it was considered to be necessary, in order to be fair to the contractors, especially those who conduct their business on a calendar-year basis, not to terminate the law in the middle of the calendar year. Witnesses representing both the Government and business recommended that the act be extended in order to be fair both to the Government and to the contractor.

Section 2 of the bill deals with repricing of war contracts. Under the present law, the repricing provision does not apply to any contracts or subcontracts made after the date proclaimed by the President as the date of termination of hostilities or the date specified by a concurrent resolution of Congress. Under the bill, the termination date for repricing expires December 31, 1945, regardless of whether or not the war with Japan has ended. Your committee felt that repricing should end at the same time that the Renegotiation Act terminated, as it is hoped and expected that if the war has not ended by December 31, 1945, that competitive conditions will become normal, or more nearly normal, and enable the officials of the departments to determine what is a fair and reasonable price in order to prevent excessive profits on war contracts.

The renegotiation and repricing of war contracts has served a most useful function. As of March 23, 1945, 58,250 contracts had been assigned to the renegotiation agencies for renegotiation. Of this number, 31,950 contractors were found not to have realized excessive profits. Thirteen thousand six hundred and fifty-two were found to have realized excessive profits and of this number 13,337 have entered into agreements to make refunds to the Government, leaving only 315 where agreements have not been reached. Twelve thousand six hundred and forty-eight remain to be finally completed. Approximately $6,000,000,000 has been recovered, of which more than four billion is for the War Department alone. However, this does not represent a net saving to the Government, since perhaps 70 or 75 percent of this amount would have been recaptured by the Government through excess profits taxes.

As previously stated, I feel that renegotiation has served a most useful function, and while there have been instances where its administration has not been free of censure and merited criticism, I do not believe these few isolated

cases, which I cannot and do not attempt to defend, should cause any Member to oppose the 6 months' extension provided by the pending bill.

Industry, labor, and the farmers of our country have achieved a production record during the war which has no equal in all of our history. Their attitude has been one of devotion, loyalty, and patriotism of the highest degree. Repricing or renegotiation of war contracts should not be considered an indictment of anyone. Both are war measures and should end with the cessation of hostilities or before, if conditions are such as to make them no longer necessary. The successful prosecution of the war demanded prompt action and contracts necessarily were hurriedly entered into. Production costs of many articles could not be definitely calculated either by the Government or by industry. There was no precedent or fixed formula upon which to base a fair price for a large number of machines and implements of war needed with a minimum of delay. Under such conditions, mistakes were unavoidable. In order to avoid, as nearly as possible, any excessive profits being realized upon contracts entered into under such abnormal conditions, renegotiation and repricing were necessary as a temporary measure. No one would favor such measures as a permanent policy of the Government. Their extension for an additional 6 months is thought necessary both from the standpoint of the Government and the welfare of many contractors, and I trust that the pending bill will receive the unanimous approval of the Members of the House.

Mr. GRANGER. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield.

Mr. GRANGER. Complaints have been made about the excessive profits made by industry during the war. Since the gentleman is familiar with the renegotiation feature and also familiar with the imposition of taxes, what would the gentleman say as to what the general condition has been with respect to huge profits being made out of the war?

Mr. DOUGHTON of North Carolina. Had we not had the renegotiation and repricing? Is that the question?

Mr. GRANGER. Yes.

Mr. DOUGHTON of North Carolina. I am sure everyone familiar with the subject is aware of the fact that had we not had the renegotiation and repricing of war contracts, which contracts were necessarily entered into hastily, there would have been many unconscionable profits made out of the war. I believe we were all not only desirous but also determined that if they could be prevented by legislation they should be.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield to the distinguished gentleman from Georgia.

Mr. VINSON. As a matter of fact, however, the tax laws would have recovered at least 75 percent of the profits. Renegotiation has recovered approximately 25 percent of the excess profits.

Mr. DOUGHTON of North Carolina. That is the way we estimate it. The difference between repricing and renegotiation is that repricing is to prevent the making of unreasonable profits. Renegotiation is to recover the excessive profits that have been made. In many cases the repricing of contracts has obviated the necessity of renegotiation.

Mr. VINSON. And as the distinguished chairman of the Committee on Ways and Means stated, some 58,000 cases have been renegotiated and of that number only 315 have found disfavor with the conclusions of the Renegotiation Board.

Mr. DOUGHTON of North Carolina. In the case of most of these contracts that have been renegotiated, an adjustment has been agreed to as between the contractor and the Government and only 315 cases where no agreement was reached, which is an extraordinary record. While there has been some criticism, and perhaps there is some merit in the criticism, as to the way renegotiation has been administered, on the whole I do not believe important law has been administered more equitably or more satisfactorily. There have been a few instances, of course, that have been subject to criticism.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield to the gentleman from Missouri.

Mr. ARNOLD. Does the gentleman have any figures as to the probable cost of the Bureau of Renegotiation? How much has it cost the taxpayers to conduct the Bureau to recover this 25 percent?

Mr. DOUGHTON of North Carolina. I do not have any figures at hand, but compared with the amount that has been recaptured the cost has been negligible.

Mr. ARNOLD. The Bureau has recovered approximately 25 percent?

Mr. DOUGHTON of North Carolina. It has recovered some $6,000,000,000, but it is estimated that some 70 or 75 percent would have been recovered through excess profits taxes.

Mr. ARNOLD. What I am trying to get is the cost of the operation and how it compares with the amount of money that has actually been recovered.

Mr. DOUGHTON of North Carolina. And also how much has been saved through repricing. This has been recaptured through renegotiation. How much has been saved through repricing is not known, but it is a considerable amount.

Mr. ARNOLD. Is it possible that the cost of the operation of the Bureau exceeds the amount of taxes recovered?

Mr. VINSON. No.

Mr. DOUGHTON of North Carolina. Oh, no.

Mr. ARNOLD. What idea does the gentleman have as to how much money it has cost?

Mr. VINSON. I may be able to give the gentleman some idea of that. In the Navy Department there has been recovered approximately $2,000,000,000. Seventy-five percent of that recovery would probably have come back through excess-profits taxes.

Mr. ARNOLD. We would have gotten it, anyway.

Mr. VINSON. About $500,000,000 has been recovered on account of renegotiation, and, of course, to administer that did not cost anything like $500,000,000.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. DOUGHTON of North Carolina. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Certainly a very considerable part of the $2,000,000,000 which the gentleman from Georgia refers to would have been recaptured under the excess-profits provision.

Mr. VINSON. Yes; 75 percent would have been.

Mr. KNUTSON. I am not so sure but what 95 or 100 percent might have been.

Mr. DOUGHTON of North Carolina. I do not think anyone would believe that we could have gotten along satisfactorily and have prevented excessive profits. I believe that the Renegotiation and Repricing Acts have fully justified themselves; without them I have no doubt but what there would have been unconscionable profits made.

Mr. ARNOLD. Is it possible to find out how much the cost of the operations of this Bureau has been so that we can get it in the RECORD?

Mr. DOUGHTON of North Carolina. I am sorry I do not have the amount, but I will state again it is small compared with the amount that has been saved the Government and which would have been lost on account of excessive profits made out of war contracts, hurriedly entered into, when neither the Government nor the contractor knew what the cost of the articles to be produced might be.

Mr. ARNOLD. The gentleman has reference to the 25 percent?

Mr. DOUGHTON of North Carolina. That is the net estimate.

Mr. KNUTSON. Mr. Chairman, I yield myself such time as I may need.

Mr. Chairman, unfortunately I was not in the city when the Ways and Means Committee had this legislation before it, but it is my understanding the measure was reported unanimously and that there is no appreciable opposition to a further extension of this act. The Members of the House will recall that the original act expired on December 31 and was extended by Executive order for 6 months. The legislation we have before us today extends the life of the act for another 6 months. Personally I cannot see much necessity for extending the present law. Those who are making contracts for the Government, for the War Department, the Navy Department, the Maritime Commission, and other governmental war activities surely should have had enough experience by this time so that they should be able to enter into contracts that are fair to the Government as well as to the contractors. Bringing in a bill of his character to extend the life for another 6 months is an indictment of those officers who make contracts for the Government, or it indicates to me, as I am sure it does to others of you, that those who are

handling the renegotiation for the Government just simply want to hang on.

Were it not for the fact that the bill before us places a limitation on the life of the repricing feature of the law, I should not support an extension. As the act now stands there is no termination date for repricing. Certainly the committee acted wisely in deciding to write the provision into this bill that would terminate repricing at the end of the year. The whole thing to me is un-American; it is unfair. I dare say that there is not a man or woman within the sound of my voice who has not had called to his or her attention instances of unfairness to the contractor. Oh, you say this is necessary for the protection of the Federal Treasury. I say to you that there is no organization in the Government more able to look after itself than the Federal Treasury. They have the FBI, they have the Internal Revenue Department, the Wage and Hour Board, and all the host of governmental agencies that they can "sic" on a contractor and perhaps harass him to the point where he is driven out of business. On the other hand, there are innumerable contractors who come to Washington to renegotiate. They have to hire expensive legal counsel, certified public accountants, and the good Lord knows what else. I dare say there have been instances after instances where small contractors have practically been made bankrupt by the expense that they were put to in preparing themselves for renegotiation. As a matter of fact, the Committee on Ways and Means had several instances called to its attention when the legislation was before the committee some time back.

The committee members who are on the floor will recall that contractor from Richmond, Va., who clearly had been harassed and practically put out of business by the operation of the law.

I hope, Mr. Chairman, that this is the last time the House will be called upon to extend this un-American principle.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Ohio.

Mr. LEWIS. I would like to ask if any of those original contracts were entered into by the Government agencies in haste without an adequate chance to learn the cost and the fair value of the things that they were buying, and if many of those contracts are still in existence?

Mr. KNUTSON. I am not able to answer the gentleman. As I said at the outset of my remarks, I was out of the city the day the committee had this bill up and therefore I had no opportunity to interrogate any witness.

Mr. DOUGHTON of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield gladly to my distinguished chairman.

Mr. DOUGHTON of North Carolina. Of course, some of these contracts of negotiation are still pending. But under this bill, if it is enacted into law, no contract entered into after December 31, next, will be subject to renegotiation.

Mr. KNUTSON. I understand that.

Mr. DOUGHTON of North Carolina. Of course, there is no way of knowing what the cost should properly be.

Mr. KNUTSON. But I think the Chairman will agree that those who are with the Procurement Division and the Treasury should know enough about the cost by this time, after we have been at war for 5 years or going on 5 years.

Mr. DOUGHTON of North Carolina. If the gentleman will yield further, there are two questions involved right there. They might know enough about it, but the competitive conditions might not be such as to enable them to tell what a proper cost should be. If a certain article is needed hurriedly and there is only one bidder, there is no competition. You not only must have that knowledge but the competitive conditions have to exist in order to prevent unconscionable profits.

Mr. KNUTSON. Mr. Chairman, whether there are one or more bidders is immaterial because of the fact that the Procurement Division has a right to reject any and all bids.

Mr. DOUGHTON of North Carolina. Yes; but there is not time to do that in wartime. You cannot measure water when you are fighting a fire. There is no time to do that.

Mr. KNUTSON. I have never heard of a single instance where one American contractor has refused to take a contract. You gentlemen may know of some. I concede and agree with the gentleman from Georgia that there was a need for this originally.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to my good friend.

Mr. VINSON. The gentleman made the statement that the procurement agencies should know by now something about the actual cost of the articles.

Mr. KNUTSON. That is correct.

Mr. VINSON. I grant you that is correct in the broad application of the statement. But for instance there are so many newly developed war materials about which they know very little. We are spending $40,000,000 for the establishment of a rocket plant. This is the first time that the Government has ever built rockets to any great extent. Therefore, it has no knowledge as to what would be the fair cost of rockets. It does have a knowledge as to what would be the fair value of a great many things that we have been building in the past, and the constant progress of the war with all of its combat variations makes it necessary with respect to the development of new inventions that there be an opportunity for repricing of those articles.

Mr. KNUTSON. It would certainly seem that competent engineers should be able to take a blueprint and determine approximately what it is going to cost to produce an article that is under consideration for production.

Mr. VINSON. But they have never produced it before and know nothing in the world about the production cost of the article.

Mr. KNUTSON. I am a layman and make no claim to knowing anything about what it costs to produce anything. But I dare say if I had the experience that some of the gentlemen in the Procurement Division have had I could tell pretty closely what it should cost to build a rocket or a jet plane.

Mr. VINSON. Now, to give the committee some concrete information, during the beginning of hostilities the Navy Department ordered a certain part of an airplane. It was estimated it was going to cost $600 per unit. As it developed, and as a result of an inquiry, they were able to reduce the price to $200 per unit. In a great many things the Department should know what the article is going to cost. But there are other articles on which the Department cannot know the fair cost of production, and what would be the fair cost for the contractor and to the Government.

Mr. KNUTSON. It seems to me these governmental activities which are connected with this work are like all governmental activities, they grow and grow rather than shrivel up.

Mr. VINSON. This will terminate at the end of the year.

Mr. KNUTSON. Yes; we were told it would end the first of the year, then be extended to July 1; now another extension is sought. I am not satisfied it is finally to end on the 1st of next January. But I will say this, that if a proposal comes up here later on to extend it beyond the 1st of January, we are going to have the greatest stand-up-and-knock-down fight that we have had in this House in a long time.

Mr. VINSON. I do not think the country would endorse a stand-up-and-knock-down fight as long as we are at war. We certainly have to have some method of fixing prices.

Mr. KNUTSON. Between the 95 percent tax imposed by the excess profits tax, repricing, and all the other safeguards that we have, I do not see any necessity for extending it. I think it is dead wrong to have both repricing and renegotiation. That exposes the contractor to a double hazard. Of course, I realize that I am one of those old-fashioned individuals who believe that all American citizens should have a chance for their white alley. It is not the function of the Government, or at least it should not be the function of the Government, to push them into bankruptcy.

Mr. VINSON. But certainly it should prevent him in wartime from making unconscionable profit.

Mr. KNUTSON. I do not think the average contractor needs any defense at my hands as to his patriotism, honesty, and desire to help the war effort. We all know they have done a fine job. They have been commended time without number by the Army, the Navy, the Maritime Commission, and other agencies.

Mr. HINSHAW. Will the gentleman yield?

Mr. KNUTSON. I yield for a brief question.

Mr. HINSHAW. Is it not true that on the question of renegotiation these men who are doing the production job and are subject to the renegotiation are in a very hazardous position, because they never know until the end of the year how badly they are going to be renegotiated?

Mr. KNUTSON. Exactly.

Mr. HINSHAW. Furthermore, the tax angle comes along and they then have to give him credit for the taxes paid in after the department renegotiates, and sometimes the amount saved is even smaller than the net loss to the company from the spending of its time looking over the books.

Mr. KNUTSON. The chairman and other members of the committee will recall that when we had a hearing on this, Government witness after witness gave it as their opinion that taxes should not be allowed before renegotiation.

Mr. HINSHAW. Definitely.

Mr. KNUTSON. I think that is one of the most monstrous rulings that I can conceive of, because certainly taxes are just as much a fixed charge as labor or material or anything else.

Mr. Chairman, I yield back the remainder of my time.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, I rise in support of H. R. 3395, a bill introduced by the distinguished chairman of the Ways and Means Committee to extend the termination date of the Renegotiation Act through December 31, 1945. My active support of measures which would take excessive profits out of war dates back to the Vinson-Trammell Act of 1934, which placed limits on profits for contracts for national defense.

The Committee on Naval Affairs has been concerned for many years with the problem of controlling profits on war contracts. This concern led to a series of public hearings, which disclosed huge war profits made on war contracts only a few months after Pearl Harbor, and finally resulted in Congress enacting the Renegotiation Act in an effort to control such profits.

During the Seventy-eighth Congress further hearings were held by the Committee on Naval Affairs and the Ways and Means Committee and this led to the enactment of desirable amendments to the Renegotiation Act.

The amended version of the act empowered the President to extend the termination date of December 31, 1944, by proclamation to June 30, 1945, provided that competitive conditions had not been restored. At the request of the Secretaries of War, Navy, and Treasury, and the heads of the United States Maritime Commission, Reconstruction Finance Corporation, and War Shipping Administration, the President, by Proclamation 2631 on November 14, 1944, did so extend the termination date of the act to June 30, 1945.

Realizing that competitive conditions would not be restored for some time in view of the continuing war necessities, on February 28, 1945, I introduced H. R. 2409, a bill to extend the termination date of the act through December 31, 1945. Subsequently, I was informed by the Navy Department that while my bill covered the principal objective, it did contain some technical defects which the Navy Department felt should be clarified.

On June 6, 1945, the great chairman of the Ways and Means Committee, the esteemed gentleman from North Carolina, introduced H. R. 3395, the bill now before the House. I have been informed by the Navy Department that the language of this bill permits the necessary flexibility in the determination of profits allocable to performance prior to the close of the termination date.

As my bill H. R. 2409 and H. R. 3395 both are aimed at the same objective of extending through December 31, 1945, the termination date under the Renegotiation Act, I give my complete support to the bill now before you, H. R. 3395.

The most important reason for the extension of the act is that our war requirements continue to be enormous, with a large proportion of the Nation's productive capacity devoted to the successful prosecution of the war.

Renegotiation continues to be an essential part of our war procurement for several reasons:

First. Competitive conditions have not been restored to permit normal pricing;

Second. We need all of the industrial genius of this country—to attract and obtain that industrial genius, protection against business risks must be provided;

Third. Consequently, allowances must be made for contingencies and business risks of changes in the character and volume of war production;

Fourth. These allowances for contingencies increase the estimated costs upon which the allowed profit is based;

Fifth. When any of the contemplated contingencies do not occur, the allowances for such unrealized contingencies increase the realized profits; and

Sixth. If such realized profits are excessive, then renegotiation goes into action—this is at least one place where hindsight can be put to practical use instead of merely charging the legitimate error of estimate to experience.

The war and war production has not reached a stage of elimination of these contingent variables, to which the determination of excessive profits is keyed. Certain war developments clearly illustrate this point:

First. The need for antiaircraft ammunition and weapons was greatly reduced by the decline of German air activity;

Second. Appraisal of military tactics had to be revised because of the need for more field-artillery ammunition than had been anticipated;

Third. With the progress of the war aircraft production has shifted from training planes to long-range heavy bombers;

Fourth. Navy requirements for bombardment purposes, as a result of combat experiences, have shifted from certain types of ammunition to rockets and high-capacity projectiles; and

Fifth. There have even been changes in the food rations for military and naval personnel, which were unforeseen.

Renegotiation of contracts has been the most effective and fairest method of taking excess profits out of war. It has avoided the weaknesses of the other approaches—a flat-profit limitation or a high excess-profits tax—which, first, encourage a tendency for increased costs and expenses, and, second, give no equitable consideration to variances in business risks.

As a substitute for a flat-profit limitation, renegotiation has three major objectives:

First. To prevent the realization of unconscionable profits;

Second. To control the costs and prices of war materials; and

Third. To encourage efficiency in war production and inventive and developmental contributions.

There is ample proof that renegotiation has accomplished and is accomplishing these objectives:

First. From April 28, 1942, to June 4, 1945, approximately $2,000,000,000 was recovered by the Navy Department alone in refunds through renegotiation of contracts. Probably three-fourths of this would have been collected through taxes, indicating that about $500,000,000 has been saved by the Navy Department through renegotiation of contracts that would not have been realized through the collection of taxes. These Navy Department figures represent only about one-fourth of the total aggregate of refunds of all procurement agencies.

Second. The margin of profits realized by war contracts dropped approximately 3 percent between 1942 and 1943, thus further indicating the effect of renegotiation.

Third. Renegotiation has been a tremendous pricing aid to procurement in causing voluntary price reductions that have resulted because contractors knew that the renegotiation boards would not let them keep the amount of profits actually realized.

Fourth. Where the all-commodity curve of the Bureau of Labor Statistics has shown a steady increase in prices—taking 1942 as the base—going from slightly under 100 up to 103, the Navy price curve has been coming down from about 108 to 85. In other words, all-commodity prices have increased 3 percent while Navy prices have decreased 23 percent.

Fifth. And yet, in spite of these savings through renegotiation, war contractors have been satisfied that they were fairly treated, as only 315 of 53,250 contractors have failed to agree on renegotiation settlements.

Therefore, Mr. Chairman, I strongly urge the extension of the termination date of the Renegotiation Act through December 31, 1945, through the passage of H. R. 3395, for contracts made during the past several months will in large measure produce the profits which will accrue during the balance of the year 1945.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield briefly.

Mr. HINSHAW. I hope the gentleman will agree with me that while it is equally desirable to keep profits out of war, it is likewise desirable that where a manufacturer has been asked to make an article at a suggested price, and that price proves to be wholly inadequate, they should be just as free in renegotiating upward as they are downward.

Mr. VINSON. May I say to the distinguished gentleman from California it so happens it does. Whenever they have

no fixed price and no definite contractual relation but have a tentative agreement as to the cost, and the cost shows that the contractor will stand a loss if he produces it, then it is raised. On the other hand, if it shows that he has made large profits, then it is reduced.

Mr. HINSHAW. I happen to have had the distinction, if you want to call it that, of having achieved the first renegotiation upward for a subcontractor who was given a contract by the prime contractor at a price which the prime contractor knew he could not make himself. Consequently it was necessary in order to keep him in business to renegotiate him upward, and I had the worst time in the world in persuading, not the department itself, but the General Accounting Office, that it was a reasonable proposition.

Mr. VINSON. Nevertheless, you accomplished what you undertook, which was a fair and equitable thing to the contractor who had accepted a price which was too low.

Mr. LEWIS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. LEWIS. I wish to ask the gentleman from Georgia if this inability of the Government and the contractors properly to estimate the cost of new products, new weapons of war, as they are put into production does not still exist and is the reason for the continuance of this legislation?

Mr. VINSON. That is the only justification; otherwise you could not justify it, because nobody wants to have this authority delegated to any bureau if it were not supported by the proposition the gentleman has just stated.

As I stated a moment ago, the Navy Department is launching something like a $40,000,000 program to build a plant for the making of rockets. It is the first time the Navy Department has ever engaged in the manufacture of rockets on such a magnitude and the Department cannot know with any degree of certainty what should be the proper cost of such an operation.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HINSHAW. I can tell the gentleman exactly how they can do that.

Mr. VINSON. The gentleman can?

Mr. HINSHAW. The rocket program was originated in my district in the California Institute of Technology. They have built millions of rockets and they know exactly what they cost.

Mr. VINSON. I hope the gentleman will give the Navy Department the benefit of his superior knowledge on the subject.

Mr. HINSHAW. The California Institute of Technology can give it to them. They have accurate information on that.

Mr. VINSON. One can always get information on anything in California from the weather down.

Mr. HINSHAW. And it is good information.

Only 315 failed to agree with the renegotiation settlement. You could not pay a higher compliment to the Price Adjustment Boards than the figures I have just given. Out of 58,250 contracts renegotiated, all were satisfied except 315.

Mr. ROBERTSON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Virginia.

Mr. ROBERTSON of Virginia. The representatives of the Army and Navy told us that they thought this extension of 6 months would be adequate. When we were considering the matter in executive session the thought was advanced that if some unexpected emergency rose the Congress would still be here and the Ways and Means Committee would still be here to listen to any demands if the necessity should arise for a further continuation.

Mr. VINSON. Whether or not the Congress will be called upon at the end of the 6 months for another extension of the Renegotiation Act depends upon the progress of the war and the material that the Navy and War Department and Maritime Commission may need. It is to be hoped that the experience of nearly 3 years will enable them to adjust the prices and reach a fair contractual relationship when the contract is originally made, and therefore do away as early as possible with the Renegotiation Act, then rely entirely upon the excess profits tax provision of the revenue statute.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Does the gentleman mean to say that 315 appeals have been filed in the courts of the land?

Mr. VINSON. Only 315 contractors have been dissatisfied and refused to accept the terms of the Price Adjustment Boards out of 58,250.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. MICHENER. I think the gentleman is just a little too comprehensive in his remarks when he used the word "satisfied."

Mr. VINSON. Then I withdraw that word.

Mr. MICHENER. Many of them, especially the smaller contractors, have been renegotiated arbitrarily.

Mr. VINSON. That may be true to some extent.

Mr. MICHENER. There is not a thing on earth they can do because they have not the money or means to get into the courts. They are far from being satisfied.

Mr. VINSON. Nevertheless they did not exercise what rights they had in their refusal to accept.

Mr. MICHENER. Yes; because in many instances they could not afford to. It was a question of bankruptcy either way you put it.

Mr. VINSON. It merely shows that the Price Adjustment Boards have at least convinced the vast majority of the contractors of their fairness and equity in settling the cases and that only a small number hesitated.

Mr. MICHENER. I am not opposing the matter, but I do know what has happened.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Michigan.

Mr. DINGELL. Whether big or small, I may say to the gentleman from what we were able to learn of the problem in the hearings and in executive sessions, the fact of the matter is that no one who faced the possibility of bankruptcy had any business for renegotiation; so I will say to the gentleman from Michigan that the people who were so hard pressed in their business that they were on the danger line of bankruptcy were, as a matter of fact, not renegotiable as a rule.

Mr. MICHENER. The committee had hearings, but the committee has not all wisdom and it did not have all the facts; therefore it should not attempt to speak with finality which my distinguished colleague from Michigan attempts to do in this matter. I know what I am talking about. I was not on the committee, but maybe there were some things that the committee in its wisdom did not learn.

Mr. VINSON. Mr. Chairman, I hope this bill will be passed and I hope for a speedy end of the war permitting the termination of renegotiation.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, at this time I would like to place in the RECORD the complete and accurate figures concerning the matter referred to by the distinguished gentleman from Georgia who has just preceded me. His figures and his interpretation are not entirely accurate. These are the accurate and complete figures: There were 58,250 assignments to renegotiation agencies. In other words, the renegotiation authorities assumed to renegotiate 58,250 different companies. Thirty-one thousand nine hundred and fifty of them were found to be free of any excess profits. In other words, they asked to examine 58,250 and there were 31,950 of them that were free of any excess profits. They couldn't compel payments out of that many. Out of the 13,652 left, after they had spent their energies on 31,950 and found nothing, there were 315 who were dissatisfied, as the gentleman stated. They missed their guess so far as 31,950 agencies were concerned. So they go to work and have 13,652 left and they renegotiated that many. From then on the gentleman's figures are correct when it comes down to the 315. But whenever he tries to impress on the Congress that this agency went out and it satisfied everybody but 315, he is going too strong. Thousands upon thousands may have settled under the worst kind of force and duress. The testimony before the Ways and Means Committee showed that the general feeling was one of dissatisfaction. Many who testified claimed that they had been subjected to implied and expressed threats of reprisals.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Georgia.

Mr. VINSON. Did I not state that they negotiated some 58,250 and that only 315 had refused to accept the renegotiation? Is that not what the gentleman's figures show?

Mr. JENKINS. No.

Mr. VINSON. Where do the 315 come from?

Mr. JENKINS. When the gentleman says that only that many refused, he gives the wrong impression for he does not bring forth in his statement this one fact, which is a profound fact, that literally thousands of people were renegotiated against their wishes and did not consent, but they were forced to come down to Washington. The gentleman should not give out that impression, which is not in line with the exact facts.

Mr. VINSON. The figures that I gave are substantiated by the statement that the gentleman from Ohio just made. I said there were 58,250 cases renegotiated, and of that number only 315 refused to agree to the renegotiation figures and conclusions.

Mr. JENKINS. The gentleman cannot say that, because there are 31,950 that are not included.

Mr. VINSON. What do the gentleman's figures show? Is it not 315?

Mr. JENKINS. The gentleman just said there were 31,950 that were put through the mill, but he did not say whether they agreed or disagreed.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Michigan.

Mr. MICHENER. The man who is executed never agrees to it, but he is executed nevertheless.

Mr. JENKINS. He is dead, and he cannot do anything about it. Many thousands of these 13,337 were threatened and cajoled and told to settle or else.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Does the gentleman know whether any of those 315 cases have been decided by the courts? Presumably some of these contractors went into the courts under the statute.

Mr. JENKINS. I understand that none of them have. The Government agencies resisted to the limit the passage of that provision of the present law that provides for court review. The Government has never been keen to see any of these cases taken to court. Its agents started out to get all the money they could and they are going to keep it up as long as possible. We must be forever on guard for this is one of the instances where Government bureaus will continue to sprout if they are not kept under control. The right to bargain and sell is the life of trade. It is the life of American industry. When you restrict this practice by giving one party to a bargain special rights and privileges you stifle the free movement of business. The Government should be able to hold its own in the great world of business and it can do so if its agents are industrious and alert.

The renegotiation program has quite a history. I will not give it any lengthy discussion, but I will start with the condition which obtained before Congress passed the law under which renegotiation is now being conducted.

There is no real justification for renegotiation except in times of war and even then renegotiation should not be practiced except as relates to commodities which had no standard value and sale price before the war. For instance, if a Government purchasing agent went out to purchase horses for the Government, he should know the value of horses and the Government should be compelled to pay the price agreed upon between the seller and purchaser. Likewise if he went out to buy wheat or corn or lumber or commodities of that kind he should pay the agreed price. On the other hand, if he went out to deal for commodities such as chemicals and technical articles of warfare, he could not be held to the same accountability. Even then the Government representatives should have inserted a clause into the contract that would make renegotiation a matter of agreement.

Before Congress passed the present law a great horde of sleuths and inspectors were sent out all over the country to get all of the money they possibly could. They proceeded in a manner that was little short of tyranny. Literally thousands of business concerns of the country were browbeaten and threatened and compelled to pay without any semblance of a complete audit. In my somewhat extended service here in Congress I never have seen any such similar performances as those carried on by the Government agents seeking to make these renegotiations. Their effrontery was almost equal to the effrontery of the OPA as it is at present carried on.

Because of the tyrannical actions of these Government agents, Congress enacted the present law. The present law carries certain new and stringent features. I shall discuss two or three.

In the first place, the law provides that a board representing the Army, Navy, and Maritime Commission should be set up and that that board should prepare and publish rules and regulations. Under the old law this was not done. Under the old law a couple of agents would step into an office and find out how much money a man or a company had and then proceed to demand most of it. These rules and regulations should be available to all persons having contracts with the Government and the board was required to see to it that before any Government agents would swoop down on these contractors and manufacturers that the contractors would have a chance to know their rights in the premises. This provision of the law has had a salutary effect and prevented much of the conduct against which the contractors and manufacturers had been complaining.

The law also set up a definite board to which the contractor could appeal if he felt aggrieved by reason of the conduct of the investigator. This board was supposed to adopt rules and regulations that would be so easily understood that it would not be necessary for a manufacturer or contractor to engage legal counsel to present their cases and to get what ought to be just and fair treatment. The idea was that the board would be fair to all parties.

I am glad to say that there were not nearly as many complaints against the tyrannical action of the Government representatives after this law went into effect. However, I am forced to say that the trouble was not altogether relieved.

Another provision was placed in the law which has had a very sobering effect on these self-anointed monarchs. I refer to that provision which gives the contractor or the manufacturer the right to appeal his case to a competent court. The law provides that if a man is dissatisfied with the findings of the board this board is required to give the complainant a statement of facts in writing. The purpose of this is to permit the complainant to lay the foundation of his appeal to the Court of Tax Appeals. When a board is required to put its findings in writing it is more liable to be careful that its findings are just.

When the law under which the country is now operating was up for consideration I made the prophecy that if these authorities would reform their tyrannical tactics and discontinue their philosophy of considering that every contractor was a law violator, and if the board would give courteous and reasonable consideration to those who appealed to the board, that there would be but few appeals to the court. My prophecy has been justified by the facts, and I am glad to say that very few cases have found their way into the court. In fact, I think that only about a half dozen have been taken to court.

Now, Mr. Chairman, I should like to discuss briefly the substance of the bill before us for consideration at this time.

This bill does more than simply extend the time of the life of the renegotiation section to December 31, 1945. I shall not take time to discuss this change exhaustively, but I want to call to the attention of the membership that it is hardly accurate to say that the first section of this bill does nothing but extend the time. If you will compare the first section of this bill with paragraph (h) of section 701 of the Internal Revenue law, which is the section dealing with renegotiation of war contracts, you will find that the language in this bill is different in some respects than the language in said subsection (h). The difference is to the advantage of the renegotiator.

Further, in this connection I want to call the attention of the House to the fact that when the Congress passed the bill under which the renegotiations are now carried on that bill did not contain the repricing section, which is section 801 of the Internal Revenue Code. That repricing section was inserted into the present law by the Senate. It was inserted largely at the insistence of the departments. I feel that the House Ways and Means Committee would not have accepted this repricing section at that time, and I feel safe in saying that the House itself would not have accepted it, but we all know how wonderfully and fearfully the law is made, especially the

law that comes out of a committee on conference.

I make this reference to show you that we must yet continue to be on our guard against the persistence of these departments of government who are constantly clamoring for power and more power.

The bill under consideration today is H. R. 3395. The bill originally introduced in the House and the bill upon which the hearings were conducted by the Ways and Means Committee was H. R. 2628. That bill did not contain any reference to the substance of section 2 of this bill. The present law provides that the repricing section shall continue in operation until the President has proclaimed the date of the termination of hostilities in the present war or the date specified in a concurrent resolution of the two Houses of Congress. In other words, under the present law and the Presidential order that was issued, the renegotiation activities of these agencies cease on any contracts entered into after June 30, 1945. But their right to reprice, which is practically the same thing, and in many instances much more exasperating, would continue until the war was over or until Congress passed some repealing legislation.

We in the Ways and Means Committee decided that we should amend the present law so that these renegotiators should be limited in their repricing activities to December 31, 1945, just as the present bill that we have under consideration limits them.

This amendment had two purposes, first to provide the same date of termination to all renegotiation and repricing activities, and, second, to give the contractors and the manufacturers of the country a definite date towards which they could direct the activities of their business.

Summing up, therefore, I will say that there is no doubt that the renegotiation law under which we are now operating met quite effectively a very sad need and put an end to tyrannical practices that were unnecessary and really un-American. I am not in favor of permitting unconscionable profits, but on the other hand I am in favor of the Government selecting competent purchasing agents so that a minimum of renegotiation would be necessary. The Government representatives have for the past 2 or 3 years felt free to make loose contracts because they knew that they could renegotiate these contracts, while they knew that the contractor or the manufacturer could not, upon their own motion, ask for a renegotiation of a contract into which they had entered, which was unprofitable to them. In other words the renegotiation program has been a one-sided program permitting the Government to renegotiate to protect itself but not permitting the contractor any chance to renegotiate a contract that he had made and which developed unfavorably to him.

I hope that the Government agencies will in the next 6 months take warning from the complaints of the people and the enactments of Congress and prepare themselves to operate without seeking for this unfair advantage. If they find that there are still many commodities about which they cannot know the prices they can stipulate in the contract that they will expect to recanvass the contract in case exorbitant profits are made. In that way both contracting parties will have due notice of what to expect.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Chairman, the reason, of course, for bringing this bill here today is because the Committee on Ways and Means in its wisdom found that renegotiation was a good thing. I think the whole Congress agreed on that originally. I am just sorry that there seems to be some difference of opinion now as to the effectiveness of the renegotiation statute. As the chairman of the Committee on Naval Affairs and the chairman of the Committee on Ways and Means have so adequately pointed out, it has really saved the taxpayers of this country about six billion dollars. You can say that it has caused discomfort and uneasiness on the part of a good many people who did not like to be renegotiated. I think it is a human trait that every one likes to make as much money as he can. But I have contended right from the very beginning that no excessive profits are warranted in wartime and I will debate that issue with any one. I do not care whether the contractor had to suffer overtime, had to worry himself a little bit about how to make ends meet, how to manufacture his product on a better basis, lower cost, and so on. He is not comparable to the man who is giving his blood for his country. So I do not think anybody is justified in complaining about the way renegotiation has worked.

You talk about harassing the individual contractor; that man is not touched unless he shows profits—profits that in the opinion of the board are excessive. The 58,000 contracts that were looked into were not renegotiated unless they showed excessive profits. That is what the act provides, and that is what actually took place. I think as my chairman of the Committee on Naval Affairs does, that 315 complaints shows that in about 95 percent of the cases the renegotiation action was warranted, and probably it is warranted in the 315 cases, I do not know; but they have their recourse. They can go to the courts and get relief.

In the beginning we were making a good many products of war that we had not even dreamed of before. Nobody could tell how much it would cost to make an airplane starter, for instance. I think we started out to manufacture them at $600 apiece. It was not long before they were turning them out with the same manpower in much less time and the cost finally went down to something like $200. Now if we had made a price of $600 by contract with the producer, you can see what he would have made at the end of a year, let us say, turning out, for instance 1,000,000 starters. The profits in some cases were exorbitant, I assure you.

Of course, we are supposed to be the watch dog of the Treasury. We are not supposed to let people use the taxpayers' money to the extent of making exorbitant profits in time of war. I think it is one of the feathers in our cap that we have at least endeavored better this time than in the other war to reduce the profits which are made in time of war.

Now, the end of the war with Japan is uncertain. In my opinion, the weakness of this bill today is that we definitely say we are going to end this at the end of this year, as much as to say that even if the war goes on 2 years more, anybody who wants to make excessive profits after the 31st of December can go ahead and do so. It is as if we say, "All right; you folks go ahead. We will say it is the fault of the fellow down here in the Navy Department or War Department or the Procurement Division of the Treasury Department." Does that make sense? Of course, it does not. We have to take the profit out of war and we have to reduce these exorbitant profits that individuals or individual contractors make whether the war goes on for 6 months or 6 years.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COOPER. Mr. Chairman, I yield two additional minutes to the gentleman from California.

Mr. IZAC. Mr. Chairman, I think we should leave this in such a way that if the Committee on Ways and Means in going into that question decides, let us say in about November or December, that the war is going to last longer, and since we are going to have these new products which the various Members have spoken of, such as rockets and jet-propelled planes, then renegotiation should continue as long as the need for it exists. Nobody knows what these new products are going to cost. They are making rockets and jet-propelled planes in my district, incidentally. I am sure I do not know how much they are going to cost and neither do the contractors. We should see that they make a fair profit, but that renegotiation continues as long as it is necessary. That need, in my opinion, will go on as long as American inventive genius turns out new instruments of warfare.

So, my friends, I sincerely hope we adopt this resolution. We need to make up our minds that the necessity for it requires that it be continued in the future.

Mr. REED of New York. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill, H. R. 3395, deals with two forms of taxation. One with the recapture of profits already realized through renegotiation and the other as construed by the services with the capture of future profits. However, there is a vital difference between these taxes and other taxes. There is no definition in the law of excessive profits. Under the tax laws we define net income for income-tax purposes and adjusted excess-profits tax net income for excess-profits tax purposes. The renegotiation and repricing taxes are imposed by men and not by law. A group of officials sit around a table and determine whether, in their opinion, a corporation has made excessive profits or may make excessive profits in the future. Unless the contractor agrees to go along, his property may be seized and his plant taken. It

may, therefore, be said that business now has seven kinds of taxes to pay—namely, the normal tax, the surtax, the declared-value excess-profits tax, the capital-stock tax, the renegotiation tax, and the repricing tax. I hope the time will soon arrive when we can simplify our tax laws and reduce the number of taxes a corporation will have to pay to a single corporation tax levied on net income according to principles and definitions fully set forth in the law. If all taxes can be repealed with the exception of the corporate net income tax, business will not be confused and harassed by the multitudinous record keeping and investigations called for under the present system. I have already introduced a bill for the repeal of the excess-profits tax and the reduction of the individual income tax.

Two of the unwise features of our tax system at the present time are those dealing with renegotiation and repricing of war contracts. The bill before us makes an important contribution to a return to law and order by providing for the discontinuance of renegotiation and repricing after December 31, 1945.

A great deal was said in the hearings about the voluntary nature of the renegotiation proceedings. Under Secretary Patterson stated that of the 13,652 contractors found to have excessive profits by the departments, only 315 have had unilateral determinations of excessive profits issued against them. Of the 13,327 contractors who have entered into voluntary bilateral agreements, I wonder how many of these agreements were voluntary and how many were induced by threats and coercion. If a contractor does not settle voluntarily, the departments can enter a unilateral order on him and withhold payments that would otherwise be due, or if he is a subcontractor the Government can collect the money from the contractor who owes the subcontractor and also ask the contractor to sue him. The only way a contractor can have his case heard before an independent tribunal is not to enter into an agreement, but let the department enter an order. If he does not enter into an agreement, he can appeal to the Tax Court of the United States where he can raise both questions of law and facts, to determine whether he has actually made excessive profits. We provided for such a right of appeal in the Revenue Act of 1943. No contractor or subcontractor ought to be criticized for endeavoring to have his case heard before an independent and impartial tribunal. Yet Under Secretary Patterson refers to contractors who refuse to sign such agreements as hogs. In this connection, I quote the reply made by Under Secretary Patterson to the following comment by the gentleman from Kansas, Congressman CARLSON, in the recent Ways and Means hearings:

Mr. CARLSON. I appreciate that. I noticed this morning you mentioned a large number of contractors who had voluntarily signed articles on repricing or renegotiation without any difficulty, and that you only had a very few that you called recalcitrants.

Mr. PATTERSON. Hogs. (Revised hearings before the Committee on Ways and Means, p. 35.)

I am unable to agree with the conclusion of the Under Secretary that any contractor who wishes to exercise his constitutional right of having his day in court and having some independent tribunal pass upon whether he made excessive profits should be branded as a hog.

I recall that in the revenue bill of 1943 our committee provided that if a contractor or subcontractor is aggrieved by a determination of the Secretary made prior to the enactment of this act with respect to a fiscal year ending before July 1, 1943, whether or not such determination is embodied in an agreement, he is also entitled to have a determination in a de novo proceeding before The Tax Court of the United States. However, Judge Patterson and other War Department officials violently opposed this provision and it was eliminated in conference. Possibly, the judge was unwilling to have the light of day thrown on some of these so-called voluntary agreements.

Contractor harassment is not confined to renegotiation tyranny, but he is further harassed by the repricing methods adopted by the services.

The administration of the provisions of title VIII of the Revenue Act of 1943 had made it very difficult for contractors or subcontractors to carry on, and has resulted in stripping them of any reserve to meet their reconversion problems. The services have adopted a system known as company repricing. What is company repricing? In effect, it is a capture of estimated future excessive profits on the basis of quarterly periods. An attempt is made to estimate the profits of the company for the quarter and require the contractor to reduce his prices so as to eliminate profits which the departments regard as excessive for that quarter. We were told by the departments that renegotiation was needed, because the original price may have been agreed upon in order to allow the contractor some leeway to protect himself against the contingency that his costs will be increased by a reduction in his anticipated volume of production. Renegotiation was necessary it was said to recapture excessive profits due to the fact that the price agreed upon yielded excessive profits because the contingency of increased costs did not occur. But how can a contractor or subcontractor be protected if his margin of profit is to be cut down to a minimum through repricing on a quarterly basis? Furthermore, repricing does not eliminate renegotiation. The contractors who are repriced also have to be renegotiated. In response to a question from the chairman, Under Secretary Patterson admitted this to be the case.

It was openly stated by the services, in testimony before our committee, that repricing is future renegotiation and requires consideration of the same factors that are required in the case of renegotiation. However, company pricing is much more burdensome than renegotiation. Renegotiation is on an annual basis after the year has closed and the profits are known. A business may run the first two or three quarters on a profitable basis and the remaining quarter or quarters on a loss basis. Because the whole year is taken into account, this loss will be recognized in renegotiation. A different situation will apply in the case of repricing. Under repricing, the Government will only look to each quarter, and the contractor or subcontractor will not be protected against losses occurring outside that quarter. Although, under the repricing provisions, the contractor is forced to accept a price which, in the opinion of the services, will leave him no excessive profits, he is still expected to assume normal business risks. In one case the general manager, chief accountant, and two best assistants of a corporation had to drop everything else to battle the pricing team of the services at a time when they were endeavoring to reach maximum production for the war. I do not believe that the services are interpreting title VIII in accordance with the intent of the Congress.

In the regulations of the agencies dealing with the Renegotiation Act, the following statement is made:

Closely allied to the renegotiation of profits realized in past periods is the policy of preventing the realization of excessive profits in future periods by reduction in the price to be paid for future deliveries. While the 1943 act confines renegotiation to profits already realized for a post fiscal period insofar as a unilateral determination of excessive profits by order is concerned, it provides specifically for the prevention of excessive profits in future periods by authorizing the War Contracts Board and the contractor to enter into agreements for the elimination of excessive profits likely to be realized. Their occurrence in the future should be prevented by adjusting the prices for remaining deliveries under existing contracts on an over-all basis by a voluntary agreement as an incident to the renegotiation settlement. Where a mutually satisfactory agreement cannot be concluded with respect to future prices, the repricing statute (title VIII of the Revenue Act of 1943) specifically authorizes the Departments to reprice outstanding contracts of both prime and subcontractors with respect to future deliveries.

I do not believe that anyone reading this regulation will get the impression that company pricing is voluntary. Yet in the statement submitted by Under Secretary of War, Robert P. Patterson, under date of June 4, 1945, the following statement is made:

In the course of the hearings, the term "repricing" has been applied to both title VIII actions and to company pricing, and has apparently contributed to some confusion between them. Company pricing is based upon voluntary negotiations with contractors on their over-all war business. It supplements individual contract pricing by dealing with both prime contract and subcontract pricing policies, applicable to both current and future transactions. It is applied only to contractors which have a consistent record of excessive prices, costs, or profits which have not been successfully limited by individual contract pricing.

And then the following statement is made by Under Secretary Patterson in the same document:

Prime contractors which are exempt from renegotiation are subject only to taxes and company pricing. If title VIII is not continued in its present form, these companies will be subject only to taxes.

There appears to be real inconsistency in the two statements. If company pricing is independent of title VIII actions, it is difficult to see how the repeal of title VIII would relieve subcontractors from company pricing. These contractors and subcontractors are all under the threat of this company repricing. There is nothing mutual about such negotiations, and I am clearly of the opinion that the repricing policies of the departments are directly in conflict with the intent of Congress in enacting title VIII of the Revenue Act of 1943. Title VIII was inserted by the Finance Committee and agreed to in conference. The Finance Committee report in referring to this title make the following statement:

In the interest of clarity your committee proposes that the repricing authority be separated entirely from the renegotiation statute. The methods and considerations appropriate to the repricing power are different from those applicable to renegotiation on an over-all basis for the purpose of recapture. Actually, the authority to reprice is more analogous to the power to place compulsory orders contained in section 9 of the Selective Training and Service Act of 1940.

Accordingly, your committee has amended the House bill and the existing law to place the authority of the Departments to adjust prices in a separate title, section 801, of your committee bill. Under it the secretary of a department is given full power to adjust prices for articles and services supplied by contractors with his department or subcontractors thereunder. If this cannot be done by agreement the secretary may do so by order. The contractor is protected, however, by an express right to sue the United States to obtain fair and just compensation for the articles or services supplied. The department will pay to the contractor the full amount of the price fixed by an order and, if the contractor thinks the price fixed unfair, he may bring suit against the Government to recover the difference in the amount paid and the amount which he believes should have been paid. Any new price fixed under this section applies only to deliveries after the date of the order. Thus these price adjustments are prospective only and do not involve recapture. Consequently this authority will not overlap the over-all renegotiation for the purpose of recapture of past profits.

It will be noted that the report specially states that the methods and considerations applicable to repricing are different from those applicable to renegotiation on an over-all basis. Title VIII gives authority to adjust prices for the particular article supplied or service rendered. The report specifically states that the authority to reprice is made analogous to the power to place compulsory orders contained in section 9 of the Selective Training and Service Act of 1940.

Section 9 of the Selective Training and Service Act gives authority to the President to place an order with any individual, firm, or corporation for products or material and further provides that the compensation to be paid by the United States shall be fair and just. The question of what constitutes fair and just compensation is a judicial question and the courts have repeatedly held that it depends upon the value of the property or article at the time of the taking. See *U. S. New River Collieries* v. *U. S.* (262 U. S. 341), in which it was held that under No. 10 of the Lever Act and the fifth amendment, the owner of property requisitioned by the United States is entitled to the full money equivalent of the property taken and the ascertainment of this just compensation is a judicial function. I find no authority in title VIII for repricing on an over-all company basis. Because of the way this title is being administered, I believe that title VIII should be amended so that it will be on a purely voluntary basis, and I made a motion to that effect in the committee. However, since the majority bill will terminate title VIII as to contracts and subcontracts entered into after December 31, 1945, I am giving this bill my support, since I want to see this un-American practice discontinued as soon as possible.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I will try to shed a little light on this very important subject, within my limitations.

Personally I favor the extension of the Renegotiation Act. I think the great bulk of the membership of this House feels as I do about it. We cannot tolerate any such thing as unconscionable profits to be made out of this war. We have heard much about harassments and abuses. Let me tell you that for the most part, unless specific instances are submitted, I assure you they are largely imaginary. Certainly they lend themselves to correction by way of the courts where there is an aggrieved corporation.

My alert and distinguished friend from California, well-informed as he is on naval affairs, has taken as an illustration starters for airplanes, and I have an idea he was dealing very largely with the question of repricing or renegotiation, or both. I want to deal chiefly with the necessity for repricing to which there seemed to be so much opposition as being superfluous because it is contended that renegotiation and excess profits taxes taken together were sufficient. But despite these, there will be many instances of excessive prices and excessive profits. Let us use the illustration of the airplane starter. Before the war it was produced in comparatively infinitesimal quantities, but we found in the course of time with the granting of contracts for large numbers of airplane starters that the price was brought down from $600 to somewhere in the neighborhood of a quarter of that amount and that all of the savings were not due to the manufacturers, the prime contractor, not at all; the contribution to the saving was made along the line progressively by the subcontractors who found that because of substitutes, because of experience in production, because of accelerated methods, because of new kinds of machinery they were able to produce the article far under what they originally thought would be the cost.

The renegotiation authority permits repricing in order to sift that excess cost immediately when it is detected instead of permitting the prime contractor to go along and draw from the Treasury the originally agreed upon amounts. Does that make sense? It is absolutely not only sensible but it is good business and is something that a witness before our committee from the Timken people, I believe, said was a common practice that has been in use for years in everyday business. If this is correct practice in private business what is the matter with it in Government business?

Over and above repricing there still is ample room for renegotiation because of tremendous profits and even after renegotiation and repricing there are still excess profits taxes to be collected under the tax law.

When the officials of the repricing board appeared before us in executive session I used as an illustration a tank, one of these monsters of the battlefield. We had never manufactured those in this country. Bill Knudsen, the genius of production for General Motors, the lieutenant general who retired recently, phoned from Washington, called Mr. Zeder or Mr. Keller of the Chrysler Corporation, and said: "Bill, can you make tanks, or will you make tanks for the Government?"

"Why! yes; we will." He said: "We have never made any. Can you send me the specifications?"

"Sure."

So he sent the specifications. Chrysler started production. The original price was $35,000 or $40,000, or whatever it might have been. Within a short time they found after they got into the mass-production methods in which these automobile men were expert that material savings could be effected. For instance, a subcontractor who manufactured treads, something he had never manufactured before; the subcontractor who manufactured the differentials or the transmissions, the stabilizers, other automatic devices and various other important adjuncts of these behemoths of the battlefield, found they could effectuate tremendous savings, and they passed them on. For instance, they said that transmissions they thought were going to cost $10,000 they found could be made at $6,000; and maybe later on they went down even lower than that. As these savings were reported the experts on renegotiation who appeared before the committee in executive session told us very plainly that the saving should be reflected in the unit cost on the remainder of the order instead of going into the pockets of the prime contractor. The savings represented a tremendous amount of money on the tanks that were produced on the basis of the originally agreed-upon price. The completed portion of the order before repricing due to savings is subject to renegotiation and subject to the excess-profits-tax provision.

Mr. RIZLEY. Mr. Chairman, will the gentleman yield.

Mr. DINGELL. Not right now.

Mr. RIZLEY. Mr. Chairman, I make the point of order a quorum is not present.

Mr. DINGELL. Then I will demand a roll call on final passage of the bill.

The CHAIRMAN. The Chair will count.

Mr. RIZLEY. Mr. Chairman, I tried to get a little information.

Mr. DINGELL. I was going to yield to the gentleman, but I shall not now. We will have a roll call, I will say to the gentleman.

Mr. RIZLEY. Mr. Chairman, I withdraw the point of order.

Mr. DOUGHTON of North Carolina. Mr. Chairman, I yield the gentleman 5 minutes in addition to what he has.

Mr. DINGELL. Mr. Chairman, in using the tank as an illustration I did not go far enough because the parts producers, the subcontractors involved in the production of a tank are far less than those involved in the production of, say, a destroyer. The experts told me that as graphic as the illustration might be with regard to a tank, we should use a destroyer. One said, "Why do you not use a destroyer where we have hundreds of subcontractors who daily effect savings and pass them on to the prime contractor." He said, "We learned in one instance after completing 2 destroyers how we had to reprice the balance of the order of 12," and he said further, "There are countless instances where the repricing is often more important than the renegotiation itself."

Mr. KEEFE. Will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I want to ask the gentleman, who spoke with some finality in the matter of a roll call a few moments ago, if I understood him correctly that there is to be a roll call.

Mr. DINGELL. Is the gentleman trying to inject some politics into this?

Mr. KEEFE. Is there to be a roll call on this bill, and is that going to be insisted upon by the gentleman?

Mr. DINGELL. I will insist on it if the gentleman likes it. I would rather have one; yes. I would like to know where the gentleman stands.

Mr. KEEFE. The gentleman knows where I stand.

Mr. DINGELL. No; I do not.

Mr. KEEFE. Mr. Chairman, I suggest the absence of a quorum.

Mr. DINGELL. That is fine with me.

The CHAIRMAN. The Chair will count.

Mr. ROBERTSON of Virginia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3395) to extend through December 31, 1945, the termination date under the Renegotiation Act, had come to no resolution thereon.

SPECIAL ORDER

The SPEAKER. Under a previous order of the House, the gentleman from Oregon [Mr. STOCKMAN] is recognized for 20 minutes.

SEND OUR SURPLUS WHEAT TO EUROPE

Mr. STOCKMAN. Mr. Speaker, with all the discussion going on about food shortages in this country, I think it is high time we called attention to the fact that in wheat, the most important food crop of them all, we actually have a surplus. There is more wheat in the United States today than at any time in our history. Out in the Pacific Northwest we have so much wheat on hand from the 1944 crop that we are at a loss as to where to put the 1945 crop. The same situation prevails throughout the rest of the wheat-producing area. Our granaries and warehouses and elevators are full. We are even storing wheat in barns and schoolhouses. As proof of my opening statements I quote a portion of a news item appearing in the Washington Post of June 11, 1945, just 3 days ago, which says:

> Combines started rolling this week in southern Oklahoma and with only a fraction of the golden crop cut, harvest crews already have begun dumping wheat in the fields.
>
> In Kansas, center of the Wheat Belt, the harvest isn't even under way. When it starts in a week or so, grainmen see even a more critical situation with a prospective crop of anywhere from one hundred and sixty-five to two hundred million bushels to be added to already-crowded elevators.
>
> The dumping was at El Dorado, Okla., Saturday, when four elevators turned away loaded wheat trucks because they couldn't store the grain and couldn't get rolling stock to move it out of terminal markets.
>
> Only 31 carloads had been shipped from the area, one of Oklahoma's larger wheat-producing sections. Forty more carloads were stored in vacant houses, barns, and on the ground.

To permit this to happen in a world where millions of people are suffering for lack of food is absolutely inexcusable. As a practical method to dispose of this surplus, I suggest we use it to feed the liberated countries of Europe until they get back on their feet again and can produce food for their own needs. We should use it to make secure the victory for democracy which our armies and those of our allies have made possible, but a victory which cannot be won by military might alone.

I believe that a program should be inaugurated immediately by the Federal Government to move this surplus wheat out of storage at a much faster rate and in much greater quantity than is now being done, for use in meeting the critical food shortages that exist among the peoples of Europe. It is true we are short of freight cars and shipping space, but we have initiated the policy of feeding liberated Europe, and wheat is the most logical commodity with which to do it. We already have the machinery which could be used in undertaking such a program. The job could be assigned to one or more of the Federal agencies now concerned with certain aspects of the problem or it could be handled jointly through interagency cooperation. Such cooperating agencies would include the War Food Administration, the Commodity Credit Corporation, the United Nations Relief and Rehabilitation Administration, our lend-lease organization, and the War Department, the latter having jurisdiction over food supplies for occupied countries.

The job of moving this wheat into the hands of those who need it is one that should be done as quickly as possible. The next few months are the critical months, both from the standpoint of our farmers who will need storage space for the 1945 crop and from the standpoint of the need for food in Europe. Millions of hungry people in nations liberated from Nazi domination are depending upon us for food that will tide them over until their own agricultural economy can be restored. We are already doing a great deal to relieve the situation but we can do more, and we must do more to prevent widespread starvation in many sections of Europe this coming winter. Our surplus of wheat could be used to no better purpose. These people will not starve as long as they have bread.

Some idea of how badly our help is needed can be gained from the fact that food production in the countries of Europe will be less this year than at any time since the outbreak of the war, and far below prewar levels. Considering what they have gone through, that is not surprising. Military operations in some areas have made large tracts of land unusable as far as immediate agricultural production is concerned. Other farm areas were plundered before the Nazi retreat. There is the cumulative effect over the war years of shortages in manpower, tools and machinery, fertilizer, and seed. The transportation system has been badly damaged or disorganized. Livestock herds have been depleted. Food-processing factories have been damaged or bombed out of existence. And on top of all this there is a social and economic revolution going on. New governments are being set up, or old ones being reestablished. There is confusion and uncertainty; fear and unrest.

A review of the food outlook in the various countries of Europe reveals that most of them are deficiency areas and will continue to be the rest of this year and much of next. The situation in France remains serious. Even the low-level minimum rations are not being met. Unseasonable weather and lack of help and agricultural supplies greatly reduced the sowing of winter grains. The outlook is equally as unfavorable in Belgium. The Netherlands will need large imports of food, mainly cereals. The situation in Norway and Finland is serious and the crop outlook is not promising. Imports of food to Greece have been increased but will need to be continued, and the same is true in large sections of Italy.

Mr, RIZLEY. Mr. Speaker, will the gentleman yeild?

Mr. STOCKMAN. I yield to the gentleman from Oklahoma.

Mr. RIZLEY. I appreciate that the gentleman from Oregon is making a very fine statement in connection with the wheat situation. I represent one of the larger wheat-growing congressional districts in the United States. I am fully familiar with what the gentleman is saying and that we are having a terrific time in Oklahoma now trying to find storage space for the wheat crop, the harvest which is already under way.

Mr. STOCKMAN. Then the gentleman's personal knowledge will bear out the statement I just made?

Mr. RIZLEY. Yes. All of us know that there are perhaps 300,000,000 bushels of surplus wheat in the country now. I wonder if the gentleman has investigated to determine why more of this wheat has not been sent to some of the countries in Europe who are so greatly in need? It is my understanding that last year we shipped perhaps less than 12,000,000 bushels of wheat out of this huge stock pile we had on hand. I think that information is essentially correct. It does seem to me that as important a food as wheat is, and with the countries of Europe in the situation they are in with respect to food, and the fact that we cannot even find storage space in this country right now in Oklahoma, that some of this wheat could be disposed of to good advantage. They are piling millions of bushels of wheat on the ground, and the harvest is just proceeding northward.

Mr. STOCKMAN. That is right.

Mr. RIZLEY. That condition may continue all throughout the harvest season. I want to congratulate the gentleman for bringing these facts to the attention of the Congress and to the country.

Mr. STOCKMAN. I thank the gentleman from Oklahoma for his contribution.

In reply to the gentleman, I will say that that is one of the reasons for making this speech this afternoon. In my opinion, one reason that more wheat has not been shipped to Europe is that there have been too many social workers' ideas prevailing and the thought has been given prevalence that people in Europe should have more of the finer things in life instead of one of the basic commodities.

Food production in countries of eastern Europe, once a food-surplus area, will also be considerably reduced this year, and supplies will have to be supplemented by imports.

All of which adds up to the fact that the people of these countries, if they are forced to depend upon their own resources and production, will have less to eat during the coming months than they did during the war. A survey of the food situation in Europe, completed in May by the Inter-Agency Committee on Foreign Shipments of which Leo T. Crowley is chairman, reveals that conditions are worst in countries which have only recently been liberated. It reveals that great masses of people, particularly in the cities, are getting even less food than the 2,000 calories a day which is regarded as the minimum for the maintenance of health, but is not sufficient to maintain a worker engaged in manual labor. In certain cities of Holland, for example, the people received no more than a fourth of this minimum daily requirement. In many other areas, less than 1,700 calories a day were available. This was just about half the average level of civilian consumption in the United States during 1944 which was 3,367 calories per day and a much more balanced diet. We know how the people of Great Britain have had to tighten their belts to make food supplies reach, yet their average level of civilian consumption in 1944 was 2,923 calories per day, or 72 percent greater than the consumption of people at the 1,700-calories level. We cannot, however, accurately measure hunger in averages. The degree of need in European countries varies in different sections and among different classes of people. The variety and quality of food available must be taken into consideration. It is not always possible to insure equitable distribution of supplies from one area to another.

We do know that the food shortage in many areas is acute and will become more acute as the months go by unless imports are greatly increased. We do know that millions of men, women, and children in the war-torn countries of Europe are facing the prospect of slow starvation unless steps are taken immediately to make additional food supplies available. Until such steps are taken we cannot expect them to make much progress on the gigantic task of restoration with which they are confronted. We cannot expect them to rebuild Europe on an empty stomach. They desperately need our help before they can help themselves.

I have already indicated one very practical way in which we can extend that help, and in so doing, find a partial solution to one of our own most vexing problems. That is to send them our surplus wheat.

We will have on hand in this country as of the 1st of next month a wheat carry-over of between three hundred and fifty and three hundred and seventy-five million bushels, most of it from the record-breaking billion-bushel wheat crop which our farmers produced in 1944. This will be from one hundred and fifteen to one hundred and forty million bushels more than our normal annual prewar carry-over for the 10-year period, 1932–41, inclusive.

The bulk of this wheat is backed up on farms and in country elevators because the farmers have been unable to get cars to ship it to terminals. During January through March this year, only 51,000,000 bushels were received at primary markets as compared to 157,000,000 bushels during the same period last year and 120,000,000 bushels in 1943. This movement of wheat to primary markets, reduced two-thirds below what it was a year ago, has been barely enough to meet current domestic and export demand. Stocks at ports and terminals have become nearly exhausted. Commercial stocks in terminal positions on April 1 totaled 100,000,000 bushels, the lowest since 1939.

This bottleneck in transportation and the inability to move our grain to terminal markets has created a very serious situation for the farmers of the Pacific Northwest and for wheat producers in other areas as well. Much of our 1944 crop is still in storage on farms and in country elevators. Last year's crop is taking up the storage space that will be badly needed for the 1945 crop within a very short time. Just how critical that lack of storage space is going to be can be realized from the fact that our farmers in the Pacific Northwest expect to produce an even bigger wheat crop in 1945 than the record-breaking output of 1944. May 1 estimates of the Department of Agriculture place the 1945 winter wheat crop for the Nation at 835,000,000 bushels, and if this production is realized, it would be 71,000,000 bushels above that of last year. Counting both spring and winter wheat estimates, another billion bushel crop is in prospect.

So we are confronted on the one hand with the problem of getting rid of our surplus wheat to make room for the new crop, and on the other, the problem of getting that surplus into the hunger-stricken areas of Europe. I do not minimize for a moment the difficulties that confront us in doing that job. Those difficulties, however, are not insurmountable. The most pressing immediate need is to move as much wheat as possible out of storage in farm areas into warehouses and elevators at ports and terminal points. A great many more rail cars for grain shipments must be made available during the next 2 months. With the much greater rail movement of war supplies from the east to the west coast, I see no reason why these cars could not be loaded with wheat on the return trip, thus putting this wheat into Great Lakes and Atlantic seaboard terminals for later shipment across the ocean.

It should also be possible during the summer months to substantially increase food shipments to Europe, and certainly wheat should have a priority in such shipments. Even if the shipping situation does not ease up and additional space does not become available for relief foodstuffs, wheat should still have a priority in food shipments that are made. It is easy to transport, is nonperishable, can be stored against future need, and has many different uses both as food for humans and as feed for livestock. If shipped in the whole grain for processing as needed in European mills and homes—and I am advised the flour mills in this country are booked to the full 24-hour capacity for the rest of this year—there would be the additional advantage that the byproducts of bran, middlings, and shorts would be available for livestock feeding. It would, however, be principally used as flour in making bread—the universal food among the people of Europe; the food which they depend upon more than any other and to a much greater extent than we do in this country. They not only use wheat to mix with other bread grains but they mill it to get a flour extraction of more than 90 percent. Nothing we could send to Europe in the way of food would accomplish more good or be more acceptable than an abundant supply of wheat. There has been a strong tendency in some quarters to forget that fact. There are those who think we should be sending them fancier foods; that we ought to include strawberries, asparagus, and similar delicacies in our shipments. Apparently we are already shipping more sugar than we should. I think the people of Europe will be very glad to get along without the fancier foods if we will just see to it that the space that would be taken up in shipping them is filled with just plain wheat. What they want and what they need in the critical days ahead is food that will stick to their

ribs. We ought to see that they get it. The way to do that is to send them as much of our surplus wheat as we can and do it just as soon as we can. Bread is the best ammunition we have to win the final victory for democracy in Europe.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. STOCKMAN. Gladly.

Mr. HOPE. I want to compliment the gentleman upon the very fine statement he has made. I represent a very large wheat-producing district, as the gentleman knows. The gentleman has outlined very clearly the problems that are confronting the wheat producers of this country and I think has pointed out the remedy in a splendid way. I think it is a practical remedy. I want to assure the gentleman I will be glad to cooperate with him in any possible way.

Mr. STOCKMAN. I am deeply indebted to the gentleman from Kansas for his statement.

Mr. SAVAGE. Mr. Speaker, will the gentleman yield?

Mr. STOCKMAN. I shall be happy to yield to the gentleman from Washington.

Mr. SAVAGE. I also want to compliment the gentleman for bringing this very important matter to the attention of the Nation. I wonder if the gentleman has inquired from the railroad companies why the empty cars coming back from the Northwest could not be used for shipping wheat.

Mr. STOCKMAN. I have made inquiry as to that. The only answer I have received is one I do not think adequately fits the situation. The answer given me is that they want them back in the East so quickly that they do not have time to load the empty cars with wheat in the West. That does not hold water with me for the reason that they can load wheat very fast.

They can load an 80,000-pound car in an hour and a half or less. I do not think the reason advanced is sufficient.

Mr. SAVAGE. I hope something can be done to solve the problem. I have just recently returned from Europe, and I saw great need for wheat and other commodities as well. But it seems to me a shame, when we have such a tremendous surplus of wheat in this country with the possible danger of it spoiling that it should be wasted on account of lack of transportation.

Mr. STOCKMAN. Would your observations in Europe tend to bear out what I just said, that they desperately need wheat?

Mr. SAVAGE. That is true. They need it. When the food gets to the ports in Europe we still have the same problem of transportation over there, but it seems to me we ought to be able to solve it here, and I hope they can solve it on the other end.

Mr. STOCKMAN. I thank the gentleman.

Mr. HOPE. Will the gentleman yield further?

Mr. STOCKMAN. I will be glad to.

Mr. HOPE. Does not the gentleman think the real solution of the difficulty is to give wheat and similar foodstuffs the proper priority, both in transportation by rail in this country and by ship overseas?

Mr. STOCKMAN. That is correct. Wheat should take the place of other foods that are going over there. Not necessarily that we need any additional shipping space, but we would do a much more efficient job if we used wheat instead of other things that are being sent, and at the same time do our own country a great deal of good by not increasing food shortages here.

The SPEAKER. The time of the gentleman has expired.

Under a previous order of the House the gentleman from Pennsylvania [Mr. EBERHARTER] is recognized for 10 minutes.

REHABILITATION OF RETURNING VETERANS

Mr. EBERHARTER. Mr. Speaker, this Congress has concerned itself with a multitude of ways to discharge its obligation to returning war veterans. It has attempted to provide them with the wherewithal to set themselves up in business, to assure them employment, to protect them against the hazards of rehabilitation into civilian life. I have favored the extension of every possible facility to these men because I understand it as my fundamental responsibility as an American to do so. I want to do so.

About a year ago I remember a group of businessmen suggested to this Congress that there are others besides the Government of the United States and the Congress who are willing and ready to rehabilitate these men and women as they come back home. We were reminded at that time that American business itself would like to have a hand in this rehabilitation.

I refer to a petition which was filed with Governors of the Federal Reserve System about a year ago by the Retail Credit Institute of America.

The Retail Credit Institute is a research and public-relations organization representing the specialty stores of America which sell consumers such important products as furniture, electrical appliances, refrigerators, washing machines, watches, clothing, musical instruments, carpets and other household and living necessities and comforts, and which extend the necessary credit to their customers to make these purchases possible to millions of families. The Retail Credit Institute a year ago asked the Federal Reserve Governors to permit American businessmen to consider the needs of each returning veteran and to help him as he needs the help—to furnish his home and equip him for work and civilian life by extending him whatever credit his individual needs may warrant.

The Credit Institute asked for special exemption of veterans from regulation W, which controls the extension of consumer credit.

Gentlemen, regulation W provides that a man can only buy durable products by paying down a considerable sum of money at the outset and by completing the terms of purchase within 1 year. I say to you that so long as there is a war this is all right and perfectly satisfactory when it comes to war workers and the rest of us back here at home who have earned normal or increased incomes during this war. But this regulation with its strict requirements was never intended to prevent the returning veteran with his pittance of pay in the armed service from procuring the furnishings for a small home, the equipment to set up civilian housekeeping, or the things necessary to get or keep a job.

The Federal Reserve System denied the petition of the Credit Institute for this exemption; denied the opportunity to American businessmen to extend their fair share of assistance to thousands of these returning men and women at a time when the Congress of the United States is appropriating literally billions of dollars and providing all manner of financial assistance at the expense of the Public Treasury and the taxpayer.

It seems to me that if private businessmen want to help these returning soldiers back to their feet at home they should be allowed to do it. It is their fair share and duty not to prohibit them. To force the returning veteran and his wife to set up housekeeping and buy the furnishings for a small apartment or home and to pay for all these things completely within the period of a year and to lay down on the line a substantial part of the purchase price in advance is unfair. Actually it is unthinkable. These people are not just picking up a few things here and there like the rest of us. They are starting from scratch. To handle it all in 1 year is not going to be possible. It is an unfair restriction, too, on the business men and women who would like to share patriotically in the veteran's return to normal living.

Several Members of this House and the Senate back at that time said they favored strongly such an exemption from regulation W. Nothing was ever done about it. The cry of inflation was the principal answer. I ask you, Is it any more inflationary to permit business to rehabilitate the veteran than it is for the Congress of the United States to spend public money doing it? Is it inflationary to make a man independent of the gratuities of Government as fast as possible after his return to civil life?

I should like something done about this.

A long time has passed since the Retail Credit Institute first brought this subject to the attention of Congressmen and the Board of Governors of the Federal Reserve System. It has been a long time since the gentleman from Michigan, Congressman GEORGE G. SADOWSKI, called this to the attention of the House, Monday, January 31, 1944. It is high time that something be done about it. The veterans are coming home. They, too, would like to know the answer, why their Federal Government should deliberately set up a barrier to prevent them economically from beginning to live again as civilians once the armed forces have released them.

Most of these men have no intention of going into business for themselves. A lot of the aid that Congress has offered them has to do with their going into private business.

What I am talking about is aid to the man who merely intends to get a job and

start living at home again. We can help him without it costing the Government of the United States a cent. We can help him by accepting proffered assistance of American business in offering him credit facilities to get started. Why in the name of all reason need the Government hesitate to take such a step?

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LUTHER A. JOHNSON (at the request of Mr. THOMASON) for today and the remainder of the week on account of death in the family.

To Mr. CURTIS, for 8 days, beginning June 14, on account of official business.

To Mr. CHELF, for the rest of the week, on account of official business.

BILLS PRESENTED TO THE PRESIDENT

Mr. ROGERS of New York, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 3109. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1946, and for other purposes; and

H. R. 3267. An act to further extend the effectiveness of the act approved December 17, 1941, relating to additional safeguards to the radio communications service of ships of the United States, as amended, and for other purposes.

ADJOURNMENT

Mr. SAVAGE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; thereupon (at 4 o'clock and 43 minutes p. m.) the House adjourned until tomorrow, Thursday, June 14, 1945, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation, in open session, on Thursday, June 14, 1945, at 10 a. m., in committee room 356, Old House Office Building.

THE COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the full Committee on the Post Office and Post Roads on Thursday, June 14, 1945, at 10 a. m., at which time hearings will be continued on H. R. 3235, a bill readjusting the rates of postage on books.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

A subcommittee of the Committee on Interstate and Foreign Commerce will hold a hearing at 10 a. m., on Thursday, June 14, 1945, in the Rivers and Harbors Committee room, room 1304, House Office Building, on H. R. 1742 to amend the Department of Agriculture Organic Act of 1944, to facilitate the use of certain funds therein provided for the Rural Electrification Administration, and for other purposes.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

The Committee on Immigration and Naturalization will hold an executive hearing at 10:30 a. m., on Thursday, June 14, 1945, on H. R. 173, H. R. 1584, and H. R. 2256.

COMMITTEE ON THE JUDICIARY

The Committee on the Judiciary has scheduled hearings, to begin at 10 a. m., on Monday, June 18, 1945, on the following joint resolutions: House Joint Resolution 67, to declare the policy of the Government of the United States in regard to tide and submerged lands; and House Joint Resolution 118, House Joint Resolution 119, House Joint Resolution 122, House Joint Resolution 123, House Joint Resolution 124, House Joint Resolution 146, House Joint Resolution 148, House Joint Resolution 129, House Joint Resolution 130, House Joint Resolution 134, House Joint Resolution 137, House Joint Resolution 138, House Joint Resolution 146, House Joint Resolution 148, House Joint Resolution 153, House Joint Resolution 172, and House Joint Resolution 193, entitled "To quiet the titles of the respective States and others to lands beneath tidewaters and lands beneath navigable waters within the boundaries of such States and to prevent further clouding of such titles." The hearings will be held in the Judiciary Committee room, room 346, Old House Office Building.

The Committee on the Judiciary will begin hearings at 10 a. m. on Thursday, June 21, 1945, on the following bills with respect to Federal administrative procedure: H. R. 184; H. R. 339; H. R. 1117; H. R. 1203, H. R. 1206, and H. R. 2602. The hearings will be held in the Judiciary Committee room, room 346, Old House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

566. A communication from the President of the United States, transmitting an estimate of appropriation for the Department of Agriculture for the fiscal year 1946, in the amount of $4,500,000 (H. Doc. No. 237); to the Committee on Appropriations and ordered to be printed.

567. A communication from the President of the United States, transmitting deficiency estimates of appropriation for the fiscal year 1944, and prior fiscal years, in the amount of $3,404.72, and supplemental estimate of appropriation for the fiscal year 1945, in the amount of $2,750, in all, $6,154.72, for the District of Columbia (H. Doc. No. 238); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAY: Committee on Military Affairs. S. 916. An act to remove the limitation on the right to command of officers of the Dental Corps of the Army which limits such officers to command in that corps; without amendment (Rept. No. 743). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 2944. A bill to continue in effect section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, relating to the exportation of certain commodities; without amendment (Rept. No. 744). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 3232. A bill to amend section 3 of the act entitled "An act to authorize the President to requisition certain articles and materials for the use of the United States, and for other purposes," approved October 10, 1940, as amended, for the purpose of continuing it in effect; without amendment (Rept. No. 745). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 3233. A bill to permit members of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, and their dependents, to occupy certain Government housing facilities on a rental basis without loss of rental allowances; without amendment (Rept. No. 746). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 3234. A bill to amend the act entitled "An act to authorize the President of the United States to requisition property required for the defense of the United States," approved October 16, 1941, as amended, for the purpose of continuing it in effect; without amendment (Rept. No. 747). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS of New York: Committee on Military Affairs. H. R. 3436. A bill providing for a medal for service in the armed forces during the present war; without amendment (Rept. No. 748). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. CASE of New Jersey: Committee on Claims. H. R. 999. A bill for the relief of Lily L. Carren; with amendment (Rept. No. 734). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. H. R. 1015. A bill for the relief of G. H. Moore, of Butler, Taylor County, Ga.; with amendment (Rept. No. 735). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 1245. A bill for the relief of John F. Davis; without amendment (Rept. No. 736). Referred to the Committee of the Whole House.

Mr. BYRNES of Wisconsin: Committee on Claims. H. R. 1890. A bill for the relief of the estate of Peter G. Fabian, deceased; with amendment (Rept. No. 737). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2089. A bill for the relief of Edwin F. Danks; with amendment (Rept. No. 738). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2219. A bill for the relief of Mrs. James Arthur Wilson; with amendment (Rept. No. 739). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 2249. A bill for the relief of the Cape & Vineyard Electric Co.; without amendment (Rept. No. 740). Referred to the Committee of the Whole House.

Mr. CASE of New Jersey: Committee on Claims. H. R. 2641. A bill for the relief of Frank Glen; with amendment (Rept. No. 741). Referred to the Committee of the Whole House.

Mr. HEDRICK: Committee on Claims. H. R. 3046. A bill for the relief of Thomas A. Butler; with amendment (Rept. No. 742). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII public bills and resolutions were introduced and severally referred as follows:

By Mr. McGEHEE:

H. R. 3458. A bill to reimburse certain Navy and Marine Corps personnel and former Navy and Marine Corps personnel for personal property lost or damaged as the result of a fire in buildings 102 and 102-A in Utulei, Tutuila, American Samoa, on August 17, 1944; to the Committee on Claims.

By Mr. ROBERTSON of Virginia:

H. R. 3459. A bill to amend the act of March 10, 1934, entitled "An act to promote the conservation of wildlife, fish, and game, and for other purposes"; to the Committee on Agriculture.

H. R. 3460. A bill to permit public shooting on national wildlife refuges, and for other purposes; to the Committee on Agriculture.

H. R. 3461. A bill to preserve breeding stocks and prevent starvation and disease among waterfowl along their flyways, and for other purposes; to the Committee on Agriculture.

By Mr. VOORHIS of California:

H. R. 3462. A bill to amend the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes"; to the Committee on the Judiciary.

H. R. 3463. A bill to improve the hospital care of American war veterans, to establish a National Veterans' Hospital Board, and for other purposes; to the Committee on World War Veterans' Legislation.

By Mr. WOLCOTT:

H. R. 3464. A bill to provide for the management of the Export-Import Bank of Washington, to provide for the capital thereof, and for other purposes; to the Committee on Banking and Currency.

By Mr. CHELF:

H. R. 3465. A bill to provide assistance, advice, counsel, and all other necessary help in the rehabilitation of World Wars I and II to insure prompt, courteous, and efficient disposition of correspondence pertaining to all veterans' claims, pensions, insurance, rights, and all other privileges which may now exist under the GI bill of rights or other veterans' legislation now upon the statute books, or which may later become law, all of which may pertain to monetary or other benefits or services, and all other inquiries or requests for help, advice, and counsel received by each Representative in Congress from each congressional district, which relate directly or indirectly to veterans' benefits, health, tranquillity, betterment; and for all other purposes; to the Committee on World War Veterans' Legislation.

By Mr. FISHER:

H. R. 3466. A bill to amend the Nationality Act of 1940 to preserve the nationality of citizens residing abroad; to the Committee on Immigration and Naturalization.

By Mr. HORAN:

H. R. 3467. A bill to amend the Emergency Price Control Act of 1942, as amended; to the Committee on Banking and Currency.

H. R. 3468. A bill to amend section 3 of the Emergency Price Control Act of 1942, as amended; to the Committee on Banking and Currency.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin memorializing the President and the Congress of the United States to enact law entitling persons discharged from military service to priorities in all equipment, machinery, supplies, and materials necessary for building, establishing, and equipping home, farm, and business structures and enterprises; to the Committee on Banking and Currency.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the President and the Congress of the United States to take steps to provide salary increases for United States postal employees; to the Committee on the Post Office and Post Roads.

Also, memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to take steps necessary to elevate the Territory of Hawaii to a State; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. REECE of Tennessee:

H. R. 3469. A bill for the relief of Elmer A. Norris; to the Committee on Claims.

By Mr. THOMAS of New Jersey:

H. R. 3470. A bill for the relief of the legal guardian of Hunter A. Hoagland, a minor; to the Committee on Claims.

By Mr. TOLAN:

H. R. 3471. A bill for the relief of Howard D. Eberhart; to the Committee on Claims.

H. R. 3472. A bill for the relief of H. Bluestone; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

946. By Mr. BROWN of Ohio: Petition of 2,718 people protesting the meat and sugar program by the OPA and other Government agencies; to the Committee on Banking and Currency.

947. By Mr. COCHRAN: Petition of William A. Hill and 32 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

948. Also, petition of Gus E. Koenig and 32 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

949. Also, petition of Melvin Uhl and 28 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

950. Also, petition of Julian Pierron and 30 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

951. Also, petition of Steve Buchowitz and 31 other citizens of St. Louis, Mo., protesting against the passage of any prohibition legislation by the Congress; to the Committee on the Judiciary.

952. By Mr. DONDERO: Petition of more than 50 citizens of the Seventeenth Congressional District of Michigan, urging the passage of House bill 491, the antivivisection bill; to the Committee on the District of Columbia.

953. By Mr. LEONARD W. HALL: Petition of 43 names from Rockville Centre, N. Y., in advocacy of the enactment of House bill 2082, by Mr. BRYSON, prohibiting the manufacture or sale of beverages containing in excess of one-half of 1 percent of alcohol; to the Committee on the Judiciary.

954. By Mr. RICH: Petition of Avis Grange, No. 1959, Pennsylvania, in support of House bill 153; to the Committee on Banking and Currency.

SENATE

THURSDAY, JUNE 14, 1945

(Legislative day of Monday, June 4, 1945)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, beset by the perplexities of these calamitous days with all their fury and terror, let not our strength fail nor the vision fade. In the heat and burden of this epochal day we are called to serve, lead us, for Thy name's sake, to the abiding springs of fresh hope and confidence for a better tomorrow, a new faith in Thy goodness and in the unrealized possibilities of Thy erring children, in spite of the stupid folly by which they have devastated the good earth Thou hast given and marred the costly works of their own hands.

May our own lives, freed of pettiness and prejudice and radiant with good will which leaps all barriers, be channels through which Thy saving grace may flow for the healing of the nations. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, June 13, 1945, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT—APPROVAL OF A BILL

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, June 14, 1945, the President had approved and signed the act (S. 392) for the relief of Nebraska Wesleyan University and Herman Platt.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 807) to improve salary and wage administration in the Federal service; to provide pay for overtime and for night and holiday work; to amend the Classification Act of 1923, as amended; to bring about a reduction in Federal personnel and to establish personnel ceilings for Federal departments and agencies; to require a quarterly analysis of Federal employment; and for other purposes, with an amendment in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3306) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1946, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. O'BRIEN of Illinois, Mr. CURLEY, Mr. GORE, Mr. O'NEAL, Mr.